EIGHT PAGES
FROM SUNDAY'S
The New York Times
THE WEEK IN REVIEW
INSIDE TODAY

Monday, January 24, 1983

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Two Safad pedestrians take their chances yesterday in the middle of a street where visibility for all — particularly for motorists — was severely hampered by sleet, snow and strong winds.
(Yossi Elmakim, IPPA)

Storms, snow rake country

Jerusalem Post Staff

Stormy weather yesterday brought snow as far south as Dimona, and also, of course, to the Golan Heights and Upper Galilee, while accompanying heavy rains and fierce winds made travel difficult in much of the country.

The storm cut off all roads in the northern Golan Heights and Mt. Hermon was closed to visitors. Snow, sleet and fog disrupted traffic in Safad and Upper Galilee, and the road to Safad was blocked several times during the day. Safad received 47 millimetres of rain yesterday.

Heavy rain fell steadily throughout the day in Kiryat Shomona and Galilee, whose wadis were surging by yesterday afternoon with the highest rate of flow reported this year.

In Jerusalem, where 36 mm. of rain fell, about 30 trees were knocked down during the day by the high winds, along with a number of power lines and several rooftop solar heaters. The municipal snow-emergency headquarters was put on full alert last night and snow was seen falling in the early evening in the southern neighbourhoods. Fifteen apartments were flooded by the rains.

Power lines were also downed in several places in Tel Aviv, cutting off traffic signals at several intersections, but the day's 10mm. rainfall was considered normal for the season. Firemen were called to pump water from several flooded

(Continued on Page 2, Col. 1)

Sharon mum on Zaire aid cost

Jerusalem Post Reporter

Defence Minister Ariel Sharon declined to say at yesterday's cabinet session how much it will cost to deliver the assistance he promised President Mobutu Sese Seko during Sharon's visit to Zaire last week.

Sharon said that he agreed to help Zaire revamp and enlarge its army on the basis of a five-year strategic-planning survey drawn up at Mobutu's request. But he did not say how many Israel Defence Forces personnel will be required for the programme.

The defence minister said that Israel will help Zaire develop an anti-terror unit, train its naval units, and sell Zaire weapons and communications equipment.

Sharon said that Israel's posture in Africa will be upgraded when Zaire's neighbours see the effective assistance being given to Mobutu's forces. He said that once Black Africa compares what the Arab states and Israel are capable of providing, the prospects of Israel's political comeback will be vastly improved.

Bearish public keeps selling its securities

By JOSEPH MORGENSTERN
Post Finance Reporter

The public yesterday exhibited a marked scepticism towards Finance Ministry declarations that share prices would stabilize. As a result of heavy selling pressure, shares registered for trading on the Tel Aviv stock exchange absorbed heavy losses, which reached upwards of 10 per cent. 107 issues were down by margins of more than 5 per cent, while among these were numerous losses that ranged between 10 and 15 per cent.

Meir Heth, chairman of the board of the Tel Aviv Stock Exchange, pointed out that the manner in which the Treasury announced its intentions to change regulations governing mutual funds was directly connected with the past two sessions in which some shares fell heavily.

Yosef Nitzani, the exchange general manager, told *The Jerusalem Post* that it is important for any investor who wishes to sell shares today to do so with a "price limit." Nitzani said that "many shares were registered on Sunday as 'sellers only' for the second consecutive session, and unless price limits are placed their price could fall by several tens of percentage points."

A review of yesterday's action indicates that 41 securities were "sellers only". For the second consecutive day, the exchange executive pointed a further steep decline in prices that may bring on additional selling.

Reports from the Stock Exchange management indicated that mutual funds and other institutional buyers exhibited a willingness to support share prices. However, it appeared that the public felt differently.

Mutual-fund redemptions continued to run at a high level and it was rumoured that one mutual fund received sales orders for its units that totalled more than IS750m. (more than $21m.).

Both Heth and Nitzani reaffirmed their faith in the validity of small investors' investing their savings in mutual funds. "There are many funds that have investments in index-linked bonds, foreign currency and shares and as such are an excellent vehicle for the small investors who seek diversity of investment," they said.

Tentative OPEC accord on output-sharing scheme

GENEVA (Reuter). — OPEC oil ministers last night patched together an output-sharing agreement that would slash their daily production ceiling by a million barrels a day, conference sources said.

But they stressed that final agreement hinged on the acceptance of other aspects of an OPEC package deal that could shave the exporter group's current market price of $34 a barrel.

Under the tentative accord Saudi Arabia, the world's biggest oil exporter, would cut its production ceiling by two million barrels a day to five million.

Oil ministers of the four conservative gulf states that are members of the 13-nation Organization of Petroleum Exporting Countries left the main meeting after three hours last night, apparently for private consultations.

Conference sources said ideas being floated as part of the package deal included a possible increase in price differentials charged by African producers.

The sources said that, if the Africans refuse to accept such increases, Saudi Arabia and its allies might make a $2 cut in the marker price as part of a final deal.

PNC seen headed for 'democratic split'

BEIRUT (Reuter). — A crucial session next month of the Palestine National Council is likely to opt for a "democratic split" rather than a "paralyzing consensus," the PLO representative in Beirut said over the week-end.

In a television interview, the representative, Shafik al-Hout, said the council, which has so far worked by consensus, will probably be split into a ruling majority and an opposition.

But he said such a "democratic split" is preferable to what he called a "paralyzing consensus."

The council, which is the only body empowered to change the terrorist organization's policy, is due to meet in Algiers on February 14 for its first session since the PLO was forced out of Beirut by last summer's Israeli invasion.

Supporters and critics of PLO chief Yasser Arafat have been deeply divided over his proposals for a peaceful end to the Middle East dispute and his rapprochement with Jordan.

Arafat's supporters have been hoping that Palestinian opinion would rally around the terrorist leader, but sustained criticism of his policies from Syria and pro-Damascus groups in the PLO have dampened hopes of a consensus.

Israel says PLO aims at Marine, IDF tension

By HIRSH GOODMAN
Post Defence Correspondent

Israeli sources are concerned that terrorism in Lebanon will increase, with the object of escalating the tension between the Israel Defence Forces and the multi-national force deployed around Beirut.

They say that more terrorism is expected, on the assumption that the IDF will react, and that this reaction will increase the chance of confrontation between the IDF and the U.S. Marines deployed with the force.

On Saturday, U.S. Defence Secretary Caspar Weinberger warned Israel not to exacerbate relations with the Marines, and intimated that the IDF is penetrating areas under American control. The IDF spokesman denied this, and said that OC Northern Command Amir Drori had issued strict instructions to Israeli forces not to deviate from those areas under Israeli control.

Israeli sources yesterday said that the Marines had extended their influence beyond the area demarcated as the American area of responsibility. The sources contended that a unit of Marines has deployed at Reihan, near the Institute of Sciences, in an area that had been marked only for the Lebanese Army. That the Lebanese Army probably invited the Marines to help man the position does not alter the fact that the Marines are where they should not be, an official said last night.

"If they were not there," he continued, "there would be no tension between us."

According to the Israeli official, the Marines are supposed to be deployed east of the railway track that runs parallel to the Kafr Sil-Galerie Semaan road. The science building is west of the defined perimeter, the official said.

There are two main reasons for the tension: the use of live ammunition by Israeli patrols that open the road to traffic in the mornings; and pursuit of terrorists after a terror incident.

The Americans have complained that bullets fired by the IDF have

(Continued on page 2, col. 4)

Satellite cliffhanger

LONDON (AP). — Cosmos 1402, the earth-bound nuclear Soviet satellite, was seen for about a minute over southern Britain yesterday as it edged closer to the earth's atmosphere.

Scientists at the Royal Greenwich Observatory estimated it would fall to earth some time between 9:30 p.m. last night GMT (11:30 p.m. Israel time) and 2 a.m. this morning (4 a.m. Israel time). They said they could not predict where the satellite would fall.

In Washington, Pentagon officials said that the satellite will plunge down at 12:22 a.m. GMT, plus or minus about 15 minutes.

(Earlier story, Page 4)

Hussein says will join peace talks

MANAMA, Bahrain (AP). — Jordan's King Hussein gained more momentum in pro-Western Oman yesterday for his Palestinian settlement drive, as PLO-chairman Yasser Arafat sought in neighbouring South Yemen to overcome objections by dissident PLO hardliners.

Hussein, now on the sixth leg of a tour of sympathetic Arab countries in the gulf region, conferred with Sultan Qaboos of Oman.

Hussein has made it clear he intends to push ahead by the end of February with participation, via a joint Jordanian-Palestinian delegation, in Arab-Israeli peace talks under U.S. auspices — with or without PLO blessings.

Israel, U.S. showdown looms over Lebanon

By DAVID LANDAU
and ASHER WALLFISH
Jerusalem Post Reporters

Israel's leadership appears to be preparing for an open confrontation with the U.S. over the situation in Lebanon.

There is anger and bitterness in Jerusalem over what is seen as Washington's wilful failure to prod Beirut towards an accord.

At the same time, there is a resentment that without energetic U.S. support Israel's hopes for a political pact with Lebanon and ironclad security provisions will not be achieved.

If, as Jerusalem seems to expect, the U.S. blames Israel for the lack of progress towards a settlement in Lebanon, Israel will accuse the U.S. of deliberately thwarting the chances of a new order in Lebanon and new relations between Lebanon and Israel evolving out of the war.

This was the picture painted yesterday by several government sources following a week of intensive but apparently fruitless efforts by U.S. special envoy Philip Habib to accelerate the negotiation and withdrawal process with Lebanon.

Habib met Prime Minister Menachem Begin and top ministers and aides last night to report on his week-end swing through Beirut, Cairo and Riyadh. Well-placed Israeli sources said later the meeting had not substantially changed the position. The gaps were still unbridged on key points of dispute between the U.S. and Israel — and thus between Lebanon and Israel.

The other issues still in dispute between Israel and the U.S. are:

The role of UNIFIL: Israel wants this UN force removed from the proposed South Lebanon security zone. The U.S. believes its continued presence in the zone is necessary as an aid to the Lebanese Army in keeping the peace.

Major Sa'ad Hadad's militia: Israel wants this force to have a built-in role in Lebanese peacekeeping in the security zone following the IDF's departure. The U.S. apparently opposes this on the grounds that it would infringe on the Lebanese government's sovereign authority.

"Mutual relations": Israel wants detailed arrangements for a large degree of "normalization" between it and Lebanon to be determined before the withdrawal. The U.S. believes Lebanon cannot allow itself to give such detailed commitments at this time.

Earlier in the day, there were dissenting voices during a long cabinet discussion of the government's stand on the Lebanon talks.

Deputy Prime Minister David Levy (Likud-Herut) was the most senior among the doubters. But other ministers raised criticism, anong them Interior and Religious Affairs Minister and National Religious Party chief Yosef Burg; Minister without Portfolio Mordechai Ben-Porat (Independent), Communications Minister Mordechai Zipori (Likud-Herut), and Labour and Social Affairs Minister Aharon Uzan of Tami.

Though clearly a minority within the cabinet, this disparate group taxed Defence Minister Ariel Sharon with their questions, particularly on the issue of Israel Defence Forces-manned early-warning stations, which is a major point of dispute between Israel and the U.S.

One of the dissenters told *The Jerusalem Post* last night that he and his colleagues had been surprised to learn from Sharon at yesterday's session that what was envisaged was not merely small electronic data-gathering stations, but three base-like military facilities inside southern Lebanon, each manned by a company of IDF personnel.

It was thoroughly unclear, this minister said, what the role of these IDF companies was to be: to gather intelligence, to carry out anti-terrorist patrols, to man strategic positions, to pursue terror groups. "We didn't get answers," the minister said. "Perhaps at a ministerial defence committee session the matter will be elucidated."

Some of the ministers were uncomfortable at the prospect of entering into open confrontation with the U.S. over this question of IDF-manned positions inside South Lebanon. (The U.S. is reportedly ready to supply its own personnel to

(Continued on page 2, col. 4)

Habib pushes for partial withdrawal

BEIRUT (Reuter). — U.S. envoy Philip Habib is trying to speed the withdrawal of all foreign forces from Lebanon by proposing an immediate, partial pullback of Israeli, Syrian and Palestinian troops, reports from several Arab sources indicate.

His plan seems to be aimed at side-stepping endless wrangles at the Lebanese-Israeli-U.S. talks.

Lebanese government sources said Habib had put his new plan to both Israel and Lebanon in the past week.

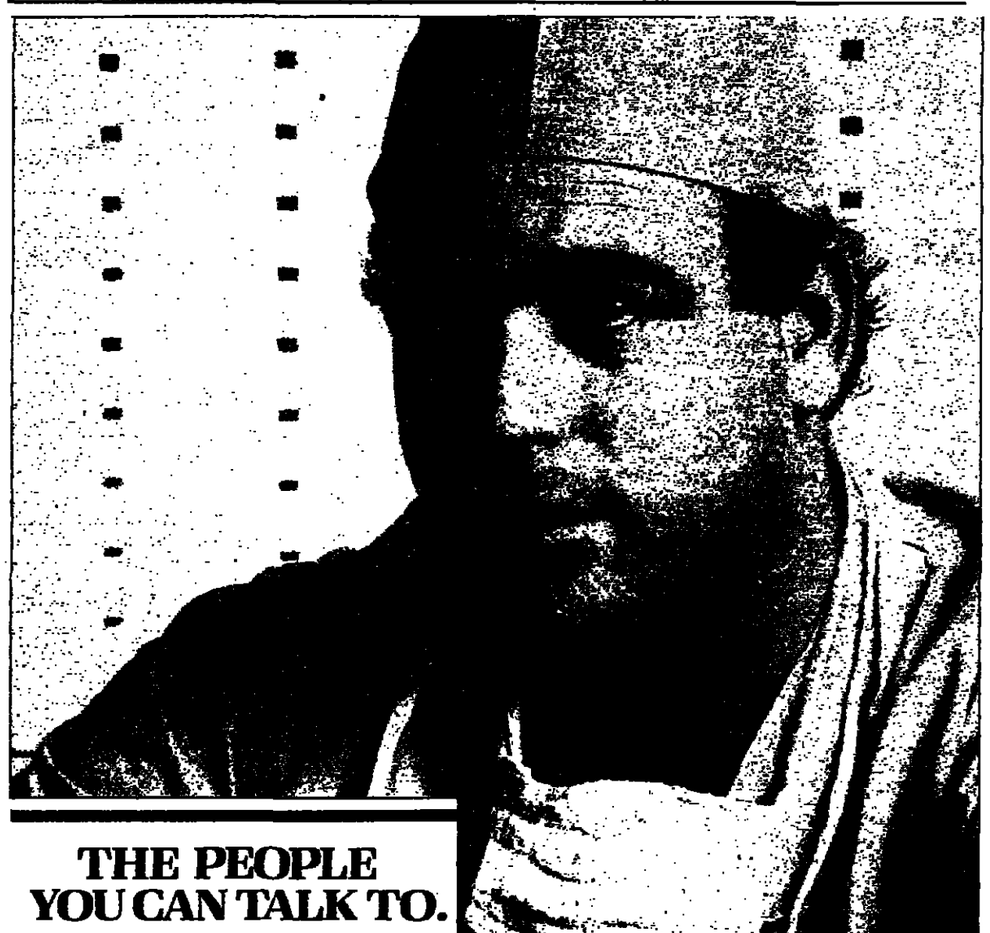
The Lebanese told him they would agree on condition the plan was part of a wider scheme guaranteeing the total withdrawal of foreign forces.

Both Lebanon and the U.S. are now waiting for the results of the Israel cabinet meeting yesterday, where the plan was expected to be discussed, the sources added.

If Habib did succeed in arranging a limited pullback from the mountains, he would have achieved something solid after nearly four months of diplomacy which has so far failed to move a single soldier off Lebanese territory.

Sources close to the Lebanese delegation say the main point of disagreement likely to come up when the talks resume today is the issue of surveillance stations in South Lebanon. Israel wants its troops involved in manning the stations.

The sources said the Lebanese had rejected this and said the stations would have to be supervised by international troops of some description. They left open the possibility that these troops would be American, like those manning similar early-warning stations in Sinai.



THE PEOPLE
YOU CAN TALK TO.

Group back from Ethiopia says plight of Falashas eases

By LOUIS RAPOPORT
Jerusalem Post Reporter

Knesset Member Dror Zeigerman (Likud-Liberals) and a group of American and Canadian student leaders have just returned from a 10-day visit to Falasha villages in Ethiopia. The student leaders told *The Jerusalem Post* that the statements made last week by a group of four Israelis who visited the same area "papered over" the situation among Ethiopian Jews, but that things are better for the Falashas than they were a few years ago.

Zeigerman went to Ethiopia in his capacity as head of the Jewish Agency's student division. Other members of the group included David Jordan of the Jewish Federation Council of Los Angeles; David Makovsky, president of the North American Jewish Student Network; Steven Bauman of the Canadian Association for Ethiopian Jews; and Zeigerman's aide, Baruch Shalev.

They travelled to the Gondar area north of Lake Tana, where most of the Falashas are concentrated. Unlike the other group, which was sponsored by the World Jewish Congress, the Zeigerman group was not accompanied by Ethiopian security guards and had a Falasha escort.

The villages had been closed to visitors for over a year until a Reuter correspondent was allowed in recently. "Everything is open now — we were allowed to ask anything," David Jordan said. Jordan had been to Ethiopia on four occasions and was thoroughly familiar with the Falashas' situation. In contrast, none of the WJC group had ever been to Ethiopia.

The WJC group told the press last week that they found no signs of poverty, repression or manifestations of anti-Semitism. But the Zeigerman group learned that Falasha Hebrew teachers are still barred from teaching the language. No religious education is permitted, and the Falashas are definitely discriminated against.

"In Gondar, the pressure is on the Jews to assimilate. They're afraid to use their synagogues," Jordan said.

But at the same tine, he noted that the security situation has improved greatly. He dismissed recent reports by a Canadian film team led by Simcha Jacobovitch that Falashas were being rounded up in camps and guarded by Libyans — a report that was later relayed by MK Moshe Shahal.

"The last Falasha murdered under order by the government was Tekele Ashanafu, ORT administrator in Gondar, who was killed in December, 1978," Jordan said.

Falasha religious teachers who were imprisoned and tortured have all been released.

Zeigerman called on the Israel government to launch a public campaign to influence the Ethiopian regime to permit the Falashas to resume studying Hebrew. Ethiopia severed diplomatic ties with Israel after the 1973 Yom Kippur War.

Zeigerman appealed to the Ethiopians to permit Jewish organizations like ORT and the Joint Distribution Committee to work in the Falasha areas. ORT was expelled from Ethiopia in 1981.

He said he felt that he was among his "brethren" in the Falasha villages, and that no effort should be spared to bring Falashas to Israel. An estimated 3,000 Ethiopian Jews live in Israel. The Falashas are

(Continued on Page 2, Col. 7)

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BRUSSELS	Not available				
BUENOS AIRES	24	75	35	95	Clear
CHICAGO	0	32	2	35	Snow
COPENHAGEN	Not available				
FRANKFURT	2	35	6	43	Clear
GENEVA	-7	19	3	37	Clear
HELSINKI	Not available				
HONG KONG	8	46	14	57	Clear
JOHANNESBURG	Not available				
LISBON	5	41	12	54	Cloudy
LONDON	4	39	7	45	Clear
MADRID	-3	27	13	55	Clear
MONTREAL	-8	18	0	32	Snow
NEW YORK	-4	25	2	36	Rain
OSLO	4	38	9	48	Clear
PARIS	-1	30	7	45	Clear
RIO DE JANEIRO	20	68	32	90	Cloudy
SAO PAULO	9	16	2	36	Cloudy
STOCKHOLM	-4	24	0	32	Cloudy
TOKYO	-2	28	7	45	Clear
TORONTO	0	32	3	37	Cloudy
VIENNA	3	38	6	43	Cloudy
ZURICH	-7	19	3	37	Clear

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THE WEATHER

Forecast: Intermittent showers and thunderstorms.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	100	3—5	4
Golan	98	5—5	4
Nahariya	92	—9	8
Safad	100	1—4	4
Haifa Port	—	—16	14
Tiberias	80	6—10	11
Nazareth	99	4—7	6
Afula	88	6—12	11
Shomron	94	5—6	6
Tel Aviv	88	8—12	11
B-G Airport	92	8—11	10
Jericho	70	6—13	12
Gaza	74	8—13	11
Beersheba	67	6—11	10
Eilat	30	12—16	15

SOCIAL & PERSONAL

World WIZO President Raya Jaglom has been awarded the Croix de Chevalier de l'Ordre National du Merite in the French presidential honours list.

Nathan Dickstein, national supervisor of blind services in the Ministry of Labour and Social Affairs, will address the newly formed Jerusalem (English Speakers) Lions Club tonight at 8:30 at the Hilton Hotel on "Prejudices and Misconceptions about Blindness." Prospective members and wives welcome.

Dr. Berman will speak at the weekly meeting of Jerusalem Rotary West tonight at 7 at the King David Hotel on "Medicine and Meditation."

Dr. David Luchins, special assistant to Sen. Daniel Patrick Moynihan, will speak tonight at 8 at the Israel Centre, 10 Rehov Strauss, Jerusalem, on "Support for Israel in the U.S. Congress."

ARRIVALS

Israel Ambassador to the UN Yehuda Blum, for discussions on the deliberations of the Security Council and consultations.

Mrs. Bernice Tannenbaum, from New York, to attend meetings of the Zionist Executive.

DEPARTURES

Knesset Members Tamar Eshel, Sarah Doron and Uri Sabag, to Strasbourg, to observe the annual meeting of the Council of Europe plenum.

STORMS

(Continued from Page One)

structures in low-lying areas of Tel Aviv and Jaffa.

Air traffic at Ben-Gurion International Airport continued normally yesterday, despite winds that gusted up to 50 knots.

In Haifa, heavy rain and hail fell accompanied by strong winds throughout the day, flooding several roads. The Electric Corporation said yesterday that the blackouts caused by downed power lines were quickly repaired and that extra repair crews were on standby in all areas, particularly Jerusalem. A corporation spokesman said an alternative power line had been installed for Hebron.

Rain fell intermittently in the Negev and snow fell for about one minute in Dimona, but melted as it hit the ground.

Farmers throughout the country are pleased with the season's rainfall. The Meteorological Service reports that the country as a whole has already received between 70 and 80 per cent of its annual rainfall, while some areas along the southern coast have already received 100 per cent.

TENNIS. — Ivan Lendl defeated John McEnroe, 6-4, 6-4, 6-2 yesterday in the singles final of the Volvo masters tennis tournament.

Burg proposes new rabbinate law

By ASHER WALLFISH
Jerusalem Post Reporter

Religious Affairs Minister Yosef Burg submitted a memorandum to the cabinet yesterday for a draft law to enable the two incumbent chief rabbis to stand again in the chief rabbinate elections in March.

The last time the terms of Ashkenazi Chief Rabbi Shlomo Goren and Sephardi Chief Rabbi Ovadia Yosef were extended, the law was changed to rule specifically that they be barred from standing once more.

However, Burg and his followers in the National Religious Party hold that this bar should be removed. Their rivals in the NRP, headed by Education and Culture Minister Zevulun Hammer and Deputy Foreign Minister Yehuda Ben-Meir, and spurred on by Knesset Member Rabbi Haim Druckman, hold that the terms of Goren and Yosef should be extended for another 30 months without an election.

Justice Minister Moshe Nissim, who wishes to maintain the bar and opposes an extension of the incumbents' terms, said that since he has not yet seen Burg's memorandum for a draft bill, he needs at least a week to study it.

Industry and Trade Minister Gideon Patt urged that the cabinet not adopt any legislative measures and leave the matter to parliamentary initiatives in the form of a private member's bill. Patt said that government involvement in such a complicated and controversial sphere harms its image as well as the image of the rabbinate.

Other ministers said it is a pity that Patt did not raise his point some weeks ago, as he might have convinced the cabinet to keep out of the controversy.

However, Prime Minister Menachem Begin said that the cabinet had already taken up the issue several times and could not withdraw at this point. Burg's proposal will therefore be considered next week and if possible voted on, Begin ruled.

Burg said that although the process of electing the next chief rabbis is already lagging a fortnight behind schedule, he feels sure the process can be completed in time. He said that the final composition of the five-man Chief Rabbinate elections committee is: Tel Aviv District Court judge Yosef Goldberg, chairman; David Danino (an NRP activist); Aharon Greenstein (a Herut activist); Rabbi Nissim Azran of Rishon Lezion (sponsored by Yosef); and Micha Yinon (sponsored by Goren).

By law, the cabinet approves the chairman and two members, while the chief rabbis approve the other two members.

Burg said the five-man committee will meet this week.

One cabinet source said there is every prospect that the cabinet will next week introduce changes in the form of the measure proposed by Burg.

The followers of Goren, who has less chance of winning an election than Yosef, are expected to resort to every possible legal and political means to block Burg's measure.



Knesset Member Dror Zeigerman (right) looks at a liturgical work written in the ancient Ge'ez language during his recent visit to Falashas in Ethiopia. With him are the Falasha priests Dawit and Adam of Ambover village. Zeigerman is the first MK to visit Ethiopia since that country broke relations with Israel in 1978. (David Jordan)

FALASHAS

(Continued from Page One)

recognized by Israel as Jews entitled to come here under the Law of Return.

Zeigerman and the student leaders have asked U.S. Senator Edward Kennedy to help in the movement to reunify Falasha families and to persuade the Ethiopians to let Falashas emigrate.

Ethiopia has opened its gates to tourists and is being cooperative concerning requests to visit the Falashas. Addis Ababa is in dire need of foreign exchange, and wants to encourage tourism. The student group stayed in a new five-star hotel in Gondar that was empty except for them.

A Public Council for Ethiopian Jewry is in the process of formation in Israel, with the support of Minister without Portfolio Mordechai Ben-Porat and the participation of MKs Uzi Baram (Labour) and Geula Cohen (Tehiya). Beersheba Mayor Eliahu Nawi heads the council. Zeigerman urged that student groups be represented on the council.

Jordan expressed optimism that the situation in Ethiopia will continue to ease. When he visited the Gondar region in 1981, he brought back reports of repression at the hands of the provincial governor, Major Malaku. But things have changed. "The major has cooled off," Jordan said.

Two killed as road slaughter continues

Jerusalem Post Staff

HADERA. — Two persons were killed and six injured in a four-car pile-up near here yesterday morning.

Police said a car that had turned off the old Haifa-to-Tel Aviv road toward Afula veered into the left-hand lane and collided with a car travelling in the opposite direction. Two other cars then smashed into them.

The dead are Shmuel Shorshan, 55, from Or Akiva and Haya Rosen, 84. The injured, who were taken to the Hillel Yaffe Hospital, Hadera, are: the dead man's wife, Zahava Shorshan, 53; a soldier hitchhiker Rahel Mor-Yosef, 20, of Holon; Pinchas Hytert, 60; Makhlouf Avitan, 23; and Yoram Cohen, 22.

In Tel Aviv, Uri Dan, advisor to Defence Minister Ariel Sharon, was injured at the weekend when he was knocked down by a car in Ramat Aviv.

In Ariel, Samaria, 25 agricultural workers were lightly injured when the private bus in which they were travelling left the road to avoid an oncoming vehicle.

In the Beersheba magistrate's court yesterday, David Levi, 23, who lost both his kidneys when he was injured during Operation Litani, was found guilty of causing the death through careless driving of a seven-year-old girl. The girl was a passenger in a car which a year ago collided with the car Levi was driving — a car he had been given by the Defence Ministry as a war invalid.

Levi was sentenced to three months in jail, his driving licence was suspended for six months and he was fined IS12,000.

This was in spite of the objections of the defence that it would be almost impossible for him to receive treatment for his condition in jail.

In Tel Aviv, Hugo Avraham, 38, who drove a car while his driving licence was suspended, was yesterday sentenced in the local magistrate's court to a year in jail, a four year suspension of his driving licence and a fine of IS10,000.

In the Acre Magistrate's Court, Yihye Hagai, 23, who was involved in an accident in Nahariya while driving under the influence of alcohol, was sentenced to four months in jail, a IS10,000 fine, and suspension of his licence for three years.

A girl's dialysis runaround

By MARGERY GREENFELD
Jerusalem Post Reporter

In the wake of a growing public storm surrounding the case of a 17-year-old girl from East Jerusalem who is dying from a serious kidney malfunction and has yet to be admitted to a dialysis programme that would save her life, the Health Ministry's director-general, Professor Baruch Modan, last night instructed the management of Hadassah Hospital in Ein Karem to treat the girl until another solution is found.

The condition of the girl, Tagrid Abu Hajaf, has been deteriorating since her kidney disease was diagnosed four years ago. She and several of her eight brothers and sisters also suffer from beta-thalassemia, a genetically transmitted blood disease affecting the production of hemoglobin. The family, headed by a mother and an alcoholic father who is undergoing treatment at a drug-intervention centre in Jerusalem, lives in a one-room flat in East Jerusalem.

Three weeks ago, Tagrid's rapidly worsening condition required an emergency peritoneal dialysis at the Hadassah, Mt. Scopus hematology department. Since that hospital does not have a regular dialysis programme, she was then sent to the unit at Ein Karem, where she was told that the unit was carrying full patient load and could not admit her.

Tagrid and her mother were referred to Shaare Zedek where they were told the same story when she arrived at the emergency room there at the beginning of last week.

Last Wednesday night she was again turned away from Shaare Zedek, on the grounds that it was not the duty hospital. On Thursday, Tagrid was admitted for another emergency peritoneal dialysis at Hadassah, Ein Karem.

But Hadassah had already informed the Health Ministry that it could not accept Tagrid into a regular dialysis programme on an outpatient basis, because of a severe shortage of nurses in the dialysis unit.

The Hadassah spokeswoman last night told *The Jerusalem Post* that although Modan had indeed increased the number of employment slots for dialysis nurses and technicians, it is impossible to find people to fill those slots.

Hadassah's dialysis unit is now treating its maximum load of 47 patients on two shifts, she said. The unit encourages the use of home-dialysis units, bought by the patients and operated in their homes by visiting nurses or by a family member trained to do so: almost 50 per cent of Hadassah's end-stage-renal-failure patients are on home dialysis.

But this solution is impossible in Tagrid's case, because of the extreme overcrowding in the family's one-room flat, where there is not even enough room to place a bed for each child, the spokeswoman said.

The ministry spokeswoman last night told *The Jerusalem Post* that Hadassah's contention about a nursing shortage is "nonsense" and added that "if the girl came from Rehavia, a place would be found for her."

Any hint of discrimination was vigorously denied at Hadassah, whose spokeswoman pointed out that the hospital has a long tradition of treating all Jerusalemites, regardless of nationality, or religion. She pointed out that eight of the 47 patients now being treated in the regular dialysis programme are Arabs, and that 35 of the 104 recipients of kidney transplants at Hadassah have been Arabs.

Shaare Zedek's spokesman last night told *The Post* that there is a serious shortage of places in dialysis units in Jerusalem, and that the hospital is already operating its unit at full capacity, with a waiting list of about 10 patients. The matter is being investigated and a solution for Tagrid's problem is being sought, the spokesman said.

Meanwhile, Tagrid is being treated at Hadassah's hematology department in Ein Karem, where her condition is described as stable and where she will undergo another hemodialysis today.

She will remain at Ein Kerem, under orders from Modan, until a suitable arrangement for long-term care can be worked out either at Hadassah or Shaare Zedek, the ministry spokeswoman said.

Tel Aviv nurses oppose plans to transfer clinics

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Nurses in the Tel Aviv municipal public-health department yesterday launched a campaign against City Hall's plans to transfer its public-health clinics to the Health Ministry and to various sick funds.

The nurses' works committee yesterday said that City Hall wants to save money by transferring all health services to other authorities at the expense of the public good.

Municipal Council opposition member Arye Zucker warned at the council meeting yesterday against eliminating the municipal health services. He said that only the local authority can deal with the needs of its constituency. Zucker said that Mayor Shlomo Lahat's decision to sell the child-care and training centre at the Lamed Programme to the Histadrut's sick fund for $230,000 shows the mayor is interested only in getting more funds.

A committee appointed by City Hall recently concluded that the city's health services should be gradually transferred to the Health Ministry. The committee also recommended that some child-care and training centres should be merged, and that others should be turned into family health centres.

Members of the nurses' works committee who attended the council meeting said that the panel had not visited any of the centres.

They also said that closing centres will force parents to travel farther with their sick children, and noted that the city's health services have often been singled out as an example for other countries.

Cabinet seeks legal advice on altering 'foreign agents' law

Jerusalem Post Staff

The cabinet yesterday asked Justice Minister Moshe Nissim and Attorney-General Yitzhak Zamir to return an opinion within a fortnight on the advisability of amending the law regarding contact with foreign agents.

The issue came up on the agenda of yesterday's weekly cabinet session at the request of Energy Minister Yitzhak Moda'i and Science and Development Minister Yuval Ne'eman. Both said that if the law does not enable the prosecution of the Sheli Party leaders who met Yasser Arafat in Tunis recently, it should be amended.

Most cabinet members did not appear to share the view of Moda'i and Ne'eman. Prime Minister Menachem Begin proposed that a considered legal opinion be sought, and did not indicate his own feelings.

Zamir told *The Jerusalem Post* that he cannot comment on the issue, because the High Court of Justice is reviewing the question.

Zamir three months ago decided against prosecuting Sheli's Uri Avnery for his meeting Arafat in Beirut in July, concluding that there were insufficient grounds for prosecution.

The Labour Party "categorically opposes" such meetings, with the PLO, Labour's responses team announced yesterday. In reaction to this, Aluf (res.) Matityahu Peled, one of those who met Arafat recently, said that Labour has again proven that it is not really an opposition party.

IDF-MARINES

(Continued from Page One)

come too close for comfort, and that Israeli units pursuing terrorists had entered "American territory."

An IDF spokesman has emphatically denied that IDF units have ever entered American territory, "despite the fact that terrorists have fled there several times."

A military official said yesterday the IDF will continue existing practice — i.e. use live ammunition when opening the road.

"It is the only effective method we have of minimizing casualties," the source said.

The source concluded that because of the publicity the Americans have given the issue, the terrorists — or whoever else is interested in heightening tension between the U.S. and Israel — will exploit it.

SHOWDOWN

(Continued from Page One)

man listening-posts, but Israel has rejected this suggestion.)

Begin and Foreign Minister Yitzhak Shamir and Sharon were firm, however, in the conviction that Israel must insist on this demand in the interests of her future security once the IDF withdrawal from Lebanon is carried out.

In an interview on Arabic-language television in the afternoon, though, Shamir appeared to drop a cryptic hint of possible flexibility in the Israeli stand. The IDF-manned stations are designed, he explained, to prevent a return of PLO terrorists to South Lebanon. They are "one of the means of achieving this...If Israel has other such means available, it will study them. So far, no one has offered us any such other means..."

But those who resent the U.S. role contend that the differences between Washington and Jerusalem go deeper than this or that specific point. They maintain, in effect, that the U.S. does not see it as an American interest, as regards to wider Arab world considerations, to encourage a political accord between Israel and Lebanon.

Moreover, according to this thesis, the U.S. may be seeking to deprive Israel of its political aims in Lebanon in order to demonstrate to the Arabs, and most especially to Jordan, that the U.S. is not influenced by Israel, but rather the reverse.

Not all Israeli policy makers share the negative view of U.S. designs in the Lebanon crisis. Minister of Energy Yitzhak Moda'i gave voice to another opinion at the cabinet meeting yesterday.

If Israel is unable to achieve all of its goals in Lebanon, the top priority in his view must be the withdrawal of all foreign forces from Lebanon.

Simone Veil against more Nazi trials

PARIS (JTA). — Simone Veil, former president of the European Parliament and an Auschwitz survivor, has come out against new trials of former Nazis.

In an interview with *Le Monde* she said: "My views on this subject might shock some and might be misunderstood by others, but 40 years after the war I have had enough of these trials."

Veil, a former magistrate, was questioned about the "Papon Affair," the case of former budget minister Maurice Papon who last week was charged with "crimes against humanity" for his alleged role in the deportation of 1,690 Jews from Bordeaux. Veil said she adamantly opposes retroactive laws, stressing that Papon was being charged after the French parliament had lifted the statute of limitations for war crimes or crimes against humanity.

Veil said, however, that "Eichmann was a case apart — he had become a symbol. I also think that if Mengele were found, that would justify some special measures. As for the rest, I have had enough of these trials."

Veil said that revelation of their crimes would be sufficient punishment for war criminals.

Egyptian FM meets with Israeli envoy

CAIRO (AP). — Foreign Minister Kamal Hassan Ali and Israel Ambassador Moshe Sasson yesterday discussed relations between their countries and the status of U.S. efforts to gain a withdrawal of Israeli, Syrian and Palestinian forces from Lebanon.

A Foreign Ministry spokesman said Sasson gave Ali a letter from Israel Foreign Minister Yitzhak Shamir during the one-hour meeting. The letter concerned bilateral relations and Lebanon.

It was the third publicly announced parley between Sasson and Ali since Egyptian-Israeli relations soured following Israel's invasion of Lebanon last June.

The spokesman said the meeting, like their last one November 21, was requested by Israel.

Ali said Egypt favours a prompt withdrawal of all foreign forces from Lebanon and restoration of that country's sovereignty and territorial integrity, the spokesman said, adding the Foreign Ministry planned to reply to Shamir's letter.

Egypt has said an Israeli withdrawal and participation of Jordanian and Palestinian representatives in the American-sponsored peace talks is a prerequisite for resuming the peace process.

The spokesman said the two did not discuss the dispute over Taba, the disputed patch of border land south of Eilat. This omission indicated a willingness of both sides to put the thorny issue aside for the moment.

Economics ministry head appointed

Shmuel Friedrich, 32, was yesterday appointed director-general of the economics ministry, the government spokesman announced. He was formerly an advisor at the Mackenzie international consulting firm.

Unifil soldier faces murder charges

DUBLIN (AP). — An army private from Northern Ireland was charged yesterday with murdering three soldiers from the Irish Republic serving with him in the UN peacekeeping force in Lebanon, said an army spokesman in Dublin.

Pvt. Michael McAleavey, 23, of Belfast, was to be flown from Lebanon to Dublin to face a court-martial, said the spokesman, Captain David Ashe.

McAleavey is accused of killing three fellow soldiers from Dublin, Corporal Greg Morrow, 21, and Privatea Peter Bruke, 22, and Thomas Murphy, 22, at a UN checkpoint at Tibnin, Southern Lebanon, in August 1982.

Maccabi TA nips Hapoel Ramat Gan 90-89

Post Sports Reporter

TEL AVIV. — Maccabi Tel Aviv and Hapoel Ramat Gan went after each other last night in an old-fashioned barn-burner basketball match at Yad Eliahu. But Maccabi hung on to win the key national league match by a tantalizing 90-89.

Ramat Gan got away to a humdinger start and ran up a nine-point lead which Maccabi had to struggle hard to overcome. Eventually they levelled at 49-49 at the half.

Steve Kaplan's "hot hand" in the second half kept Ramat Gan alive as Maccabi tried hard to tear away. As close as the final score was, the champions did not actually look like going down in the final minutes, as Ramat Gan made some costly errors.

Both teams turned in good performances, which augurs well for their European competition matches later this week.

High-scorers were: Maccabi — Williams 23, Berkowitz 22, Zimmerman 19. Ramat Gan — Kaplan 28, Schlechter 22, and Poindexter 17.

We sadly announce the passing of our dear mother and grandmother

NAOMI ARONSON

The funeral will leave on Monday, January 24, 1983 (10 Shvat 5743) at 12.30 p.m. from the Municipal Funeral Parlour, 5 Dafna St., Tel Aviv for the Holon cemetery.

Adele and Mike Rubin
Ruth and Itsie Birman
Dr. Raymond and Shifra Aronson
and the grandchildren

Shiva at 52 Yeshayahu St., Tel Aviv.

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to our partner and friend,
Ze'ev Katz
on the passing of his wife

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CARL HEINZ GREBENAU

after a prolonged illness.

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Transport will be available.

The Bereaved:
His wife: Trude Grebenau (nee Averbuch)
His son: Uri Grebenau and family
His brother: Marcel Grebenau and family, Petah Tikva
His brother: Franz Grebenau and family, New York

Shiva at 66 Shlomo Hamelech St., Tel Aviv.

The Weizmann Institute of Science
deeply mourns the death of

Prof. SOL SPIEGELMAN

an Institute Honorary Ph.D. and a brilliant scientist who contributed greatly to the development of science in this country.

Court refuses to declare fugitive dealer bankrupt

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — The Tel Aviv District Court yesterday rejected the demand of the First International Bank of Israel (FIBI) to declare fugitive diamond dealer Leo Siegman a bankrupt.

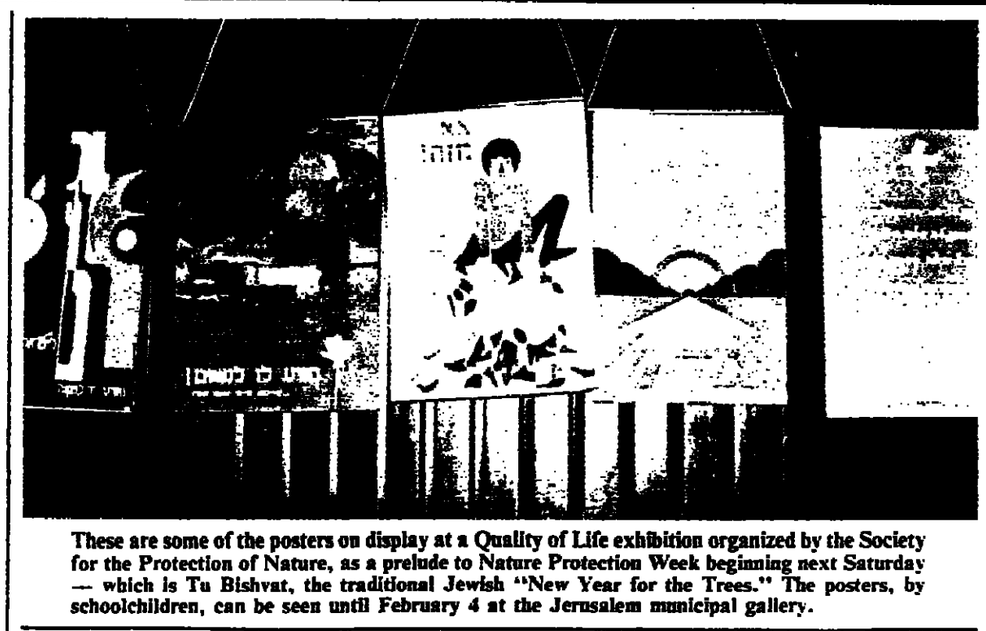
Siegman's lawyer, Ya'acov Weinroth, told the court that Siegman, once said to be a multi-millionaire, fled the country because he feared the police and not because he was in debt. Weinroth argued that, in fact, the bank owes Siegman money, but is trying to incriminate him in order to collect insurance.

Weinroth is acting on behalf of several diamond dealers to request that criminal prosecutions against his clients by FIBI and by Barclays Discount Bank be dropped.

Last week, he brought a report to the court to prove that Barclays submitted large insurance claims to Lloyd's, "knowing them to be fraudulent."

Siegman, a Holocaust survivor, fled the country in January, 1981, allegedly leaving $70 million in debts.

Among other things, Weinroth intends to bring to court an article in *The Jerusalem Post* two years ago in which Siegman was reported as saying that if he did not fear being locked up he would not have left the country.



These are some of the posters on display at a Quality of Life exhibition organized by the Society for the Protection of Nature, as a prelude to Nature Protection Week beginning next Saturday — which is Tu Bishvat, the traditional Jewish "New Year for the Trees." The posters, by schoolchildren, can be seen until February 4 at the Jerusalem municipal gallery.

New museum of technology may close for lack of funds

Jerusalem Post Reporter

HAIFA. — The National Science and Technology Museum, developed on a shoestring budget in part of the old Technion building here, may have to close soon after it opens, because of lack of funds.

About $15 million are needed to fully develop the project, but so far neither the government nor the municipality has donated any money, the museum's co-director, Professor Zvi Dori, told reporters yesterday. "We have enough money to continue for 10 months, but after that we will have to close unless other funds are made available," he said.

The museum, known as the Technodea, is housed in a former food laboratory. It will be officially opened on Thursday, and the public will be able to visit it from February 1. All the exhibits, most of them working models, are in one room. They include a model car, lasers, solar heating devices, a model of an air-to-air missile, and a wide variety of other scientific and technological developments, many of them pioneered at the Technion.

The museum is the brainchild of Dori and Yitzhak Oref, both of the Technion's Chemistry Department. They started work 18 months ago after being given the go-ahead to use the former laboratory by the then Technion president, Amos Horev, and developed it with the aid of volunteers, including their own children.

The project has so far cost IS1.5 million, donated by individuals and local businesses. Eventually, Dori and Oref hope to turn the whole building, erected in 1912 and of historic architectural interest, into a large museum. For that they need the $15m.

Amateur cowpoke ropes pig in Holon

By SARAH HONIG
Jerusalem Post Reporter

HOLON. — Residents of this Tel Aviv suburb had their hands full yesterday with the mysterious appearance of a piglet that was running amok.

It started when Hanna Sofer of Rehov Hatziyonut was taking out the garbage. On entering the dustbin alcove of her apartment house, she was greeted by sounds of scratching and shrill oinks.

The noise maker soon emerged and Sofer could not believe her eyes — a loose piglet in a Jewish town. Neighbours were immediately summoned to behold the unusual sight, and the municipal health department was soon alerted.

"A municipal inspector will be right over. Meanwhile, keep the piglet in the alcove," a city-hall official advised.

But the piglet made a quick getaway. With the neighbours in hot pursuit, the animal ran towards a nearby kindergarten, whose tots crowded around the fence, cheering on both the animal and his pursuers.

Hours passed and there was no municipal inspector in sight. Finally, a neighbour fashioned a lariat, swung for the baby porker and roped him. Sofer then threw a blanket over the pig and picked up the squealing and kicking beast, to the delighted squeals of the kindergarten crowd. The piglet was handed over to a representative of the Israel Society for the Prevention of Cruelty to Animals, who had come promptly when the neighbours called.

The municipal inspectors never showed up, and Holon residents are still wondering where the piglet came from.

Shcharansky alive, but needs urgent treatment

By LEA LEVAVI
Jerusalem Post Reporter

Prisoner of Zion Anatoly Shcharansky is alive but in urgent need of hospital treatment, according to information received in Israel yesterday.

Shcharansky has been on a hunger strike since Yom Kippur in September, because authorities at Chestapol Prison refuse to allow him visits by his mother or correspondence with his family. He was feared to have died after his mother was refused permission to visit him.

Yesterday, it was revealed that on January 14, his mother was told that she could write him a letter, deposit it at the prison office and wait there for a reply, which she was told would come in a few hours.

The first letter she wrote was rejected by the KGB officer, because it included mention of world efforts on his behalf. A second letter, which said only that his mother, Ida Milgrom, and his wife, Avital, were concerned about his state of health, was accepted.

Two hours later, his 19-line reply was received, but the KGB officer crossed out five-and-a-half lines before allowing her to see it.

Shcharansky wrote that he urgently needed hospitalization.

After leaving the prison, his mother tried to arrange for his hospitalization, but her request was denied.

Celiacs are entitled to 75% refund on flour

Jerusalem Post Reporter

Persons suffering from a sensitivity to gluten, a protein mixture found in regular wheat, barley and rye flours, are entitled to a 75-percent refund on the price of gluten-free flour, the Health Ministry announced.

Between 3,000 and 4,000 Israelis suffer from this intestinal allergy, known as celiac disease, Dr. Avraham Reshef, director of the Public Health Services' nutrition department, told *The Jerusalem Post* yesterday.

The ingestion of gluten by celiac sufferers triggers a reaction in the intestinal tract that interferes with the absorption and digestion of food, Dr. Reshef said. This causes diarrhea in adults allergic to gluten and can lead to malnutrition and stunted growth in children.

Until a few months ago, the Health Ministry subsidized the retail price of gluten-free flour under an arrangement with Pharmaclal, which imported the special flour in bulk and distributed it through the Supersol chain.

The "misunderstanding" that led to the stoppage of imports, Dr. Reshef said, has been settled, and Pharmaclal has resumed importing gluten-free flour. The first shipment is due to arrive by the end of this month.

The Health Ministry is offering a refund of 75 per cent of the price of up to five kilograms of gluten-free flour bought between December 1, 1982 and January 31, 1983.

Requests for refunds, accompanied by receipts bearing the above-mentioned dates and a letter signed by a doctor attesting to the need for gluten-free flour, should be sent to: Nutrition Department, Health Ministry, 20 King David Street, 91000 Jerusalem.

Most jr.-high math teachers lack degrees

REHOVOT. — About three quarters of Israel's junior high school math teachers lack B.A. degrees in mathematics, according to a recent study by the Science Teaching Department at the Weizmann Institute.

Weizmann Institute researchers Hershkowitz told an interviewer on Galei Zahal radio yesterday that there are some academically trained teachers even in the elementary schools in the large cities, but none in the development towns. However, there are slightly more university-trained teachers in the junior high schools in development towns than in the larger cities.

The study also found that 80 per cent of the junior high math teachers are women.

Judea, Samaria may get better health services

RAMALLAH (Itim). — The head of the civil administration in Judea and Samaria, Tat-Aluf Shlomo Eliahu, yesterday met for the first time with regional health officials and promised to improve local health services.

The heads of the health offices and hospitals in Judea and Samaria complained to Eliahu of budgetary problems, which they said make it difficult to maintain high standards of health care. The officials also complained of the low salaries paid to health workers.

Eliahu told them that a partial solution would also be found soon for the problem of salaries.

Ex-MK Bader to head coins and medals body

Former Knesset Member Dr. Yohanan Bader had been named chairman of the directorate of the Israel Government Coins and Medals Corporation, a corporation spokesnan announced yesterday. Bader succeeds David Shohan, who resigned last month.

Jobless accused of not wanting to work

Jerusalem Post Reporter

UPPER NAZARETH. — At least half of the 5,000 workers registered as unemployed in the north of the country "could easily find jobs if they wished," according to Menahem Ariav, chairman of the Council of Jewish Settlements in Galilee.

Ariav told a press conference here yesterday that there are plenty of construction and factory jobs available in the north, but that many of the unemployed prefer to remain on the dole.

He added that development projects have eased the unemployment picture recently in Upper Nazareth, Afula and Ma'alot, but the situation remains acute in Migdal Ha'Emek, Tiberias, Carmiel and Beit She'an.

Two Tamra boys found murdered

Jerusalem Post Reporter

KIRYAT SHMONA. — Two teenage boys from Tamra village in Western Galilee were found murdered yesterday near home. The two, who were close friends and were classmates in the ninth grade, left Saturday afternoon on a bicycle trip.

When the boys failed to return late Saturday night, their parents alerted police. Early Sunday morning, police found one of their bodies in a hut south of Tamra, and the second nearby.

Both boys had been bludgeoned to death.

Galilee police chief Nitzav-Mishne Meir Sadeh yesterday met with village leaders in an effort to calm feelings in the grief-stricken village.

Delegates arriving for Bonds conference

Jerusalem Post Reporter

Some 240 Jewish investors from the U.S. and Canada are to arrive in Israel today to participate in the week-long 1983 Prime Minister's and Canal Founders' Conference of the Israel Bond Organization.

The conference delegates, who are either founders of the Mediterranean-to-Dead Sea Canal Project or members of the Prime Minister's Club, will be led by Sam Rothberg, general chairman of Israel Bonds, and Yehuda Halevy, new president and chief executive officer.

The conference will take place shortly after the final feasibility study on the Mediterranean-to-Dead Sea Project is released. The Bond Organization has been providing seed money for the project since January, 1981.

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Police grab hash again in Gaza district

By ISRAEL AMRANI
Jerusalem Post Reporter

The capture of a large quantity of hashish by the Gaza District police over the week-end has confirmed police suspicions that the area is becoming a major exchange point on a new hashish-smuggling route fron Lebanon to Egypt, police said yesterday.

Gaza police early yesterday morning uncovered 35 soles of hashish in the back yard of Atab Zughrub, a wealthy Khan Yunis landowner. The hashish, weighing 42.3 kilograms and worth an estimated IS3 million wholesale, originated in Lebanon and was destined for Egypt, according to Rav-Pakad Mordechai Avitan, deputy commander of the Gaza District police.

Zughrub, who has no previous convictions for drug dealing, told police investigators that he bought the hashish from an Israeli contact who had bought it in Lebanon, and intended to sell it in Egypt, according to Avitan. The Israeli contact has not yet been arrested.

This is the second time this month that a large quantity of Lebanese hashish destined for Egypt has been seized in the Gaza District.

Veterinary hospital to breed racehorses

Jerusalem Post Reporter

BEERSHEBA. — The veterinary hospital here, part of the Ben-Gurion University of the Negev, is to start breeding racehorses for profit. It will start with 11 Arabian horses from American donors, which are due to arrive in the country on February 4.

Professor Daniel Cohn, director of the hospital, claims the stables are comparable to the best in the U.S. and that the hospital has the Middle East's only operating table for horses.

When the Arabian horses disembark from an El Al cargo airplane, Gideon Raski, of Rosh Pina, who owns the only six-horse trailer in the country, will make two trips from Lod to Beersheba to transport the horses.

40% of Safed businesses err in tax reports

SAFAD. — Raids carried out recently by income tax investigators revealed that about 40 per cent of businesses in Safad had presented inaccurate income declarations.

This was reported yesterday by the deputy head of the Income Tax authority here, Avraham Tzarfati. He emphasized that the raids were decided upon after reports of tax evasion.

All tax evaders caught in the recent raids will be brought to trial.

Insurance may cover hail damage

By MARTHA MEISELS
Jerusalem Post Consumer Reporter

TEL AVIV. — Many residents of North Tel Aviv are contacting their insurance companies about shutters damaged during last Monday evening's hailstorm. The shutters of many apartments looked bullet-ridden after the storm.

According to a veteran insurance assessor here, hail damage is not covered by insurance policies. But it may be possible to collect on the grounds of "storm damage," provided the winds were above a certain intensity, as recorded by the Meteorological Institute. This was how householders were able to collect after hailstorm damage to shutters in Bat Yam some years ago, the assessor said.

In any event, residents with shutters damaged from the storm must first check whether they are covered for external damage to their property, either through their own flats' insurance policies or through the policies of their house committees.

Panel to study ways of easing divorce

By ISRAEL AMRANI
Jerusalem Post Reporter

Acting Supreme Court Justice Elisha Sheinbaum will head a seven-member committee to find new ways of implementing family laws so as to alleviate problems of divorcing couples and their children, the Justice Ministry announced yesterday.

Other committee members include Judge Aharon Melamed, president of the Haifa Juvenile Court, Dr. Nahum Rakover, expert on Jewish Law in the ministry, and four other legal experts — one of whom is a woman. They are to submit their recommendations to Justice Minister Moshe Nissim.

The minister, according to his spokesman, decided to form the committee after concluding that litigating parties often suffer in court and often use their children in their suits and counter-suits, thereby harming them psychologically.

The committee is to examine procedures and client-advocate relations, and to suggest changes in the arrangement of alimony.

Eight earth tremors

A series of eight earth tremors took place in the Gulf of Eilat last Friday, according to the Energy Ministry's seismological station.

They were of the strength of 4.2 on the Richter scale and were not felt in Eilat.

Two held in grenade attack after fight over girl

Jerusalem Post Reporter

HAIFA. — Two men were arrested after one of them allegedly threw a hand grenade at the home of an Arab family in Hadera's Neveh Haim neighbourhood early Saturday morning, a police spokeswoman said yesterday.

The grenade exploded by the house, causing mainly external damage. Nobody was hurt.

The attack followed a quarrel over a girl between the Arab family's son and a Jewish man at a cafe in Netanya on Friday night. Police suspect the Jewish man and a friend, both in their 20s and from Givat Olga, went to the Arab family's home several hours later and one of them threw the grenade.

Military policeman jailed for hitting soldier

TEL AVIV (Itim). — A military policeman was sentenced in military court here yesterday to four months in prison and given an additional six-month sentence suspended for striking a soldier who crossed a road illegally and for conspiring to give false testimony.

The policeman stopped the soldier last month when he saw him crossing a road outside the marked crossing area. When the soldier refused to identify himself, the policeman arrested him and took him to the military-police station in Tel Aviv. There the soldier spoke disrespectfully to the policeman and two other policemen in the station.

The arresting policeman then struck him with a stapler, knocking him unconscious. The three policemen agreed to tell a story that the soldier had fallen. But after he regained consciousness and received medical attention, the soldier filed a complaint of assault.

Last week, the other two policemen were sentenced to two months' imprisonment for conspiring to give false testimony.

Jerusalem kids get dental hygiene project

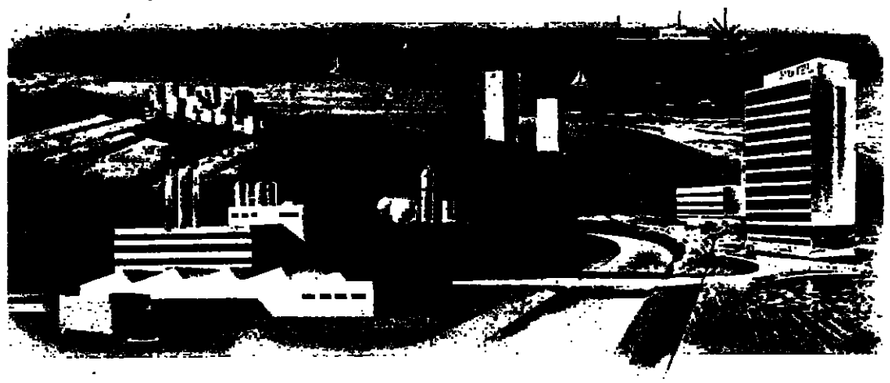
Starting today, and continuing for the next four Mondays, 10 pairs of student dental hygienists from the Hadassah-Hebrew University School of Dentistry will give lectures and demonstrations on mouth care in Jerusalem at the Eli Cohen elementary school in Romema, the Yefe Nof elementary school in Beit Hakerem and two nursery schools in Neveh Granot. An Arabic-speaking team will do the same at an elementary school in Bethlehem.

Youths questioned on PLO-coloured room

KAFR KANNA (Itim). — Police yesterday questioned a group of youths from this village near Nazareth, who reportedly painted the walls of a room they rented in the colours of the PLO.

Police also questioned the owner of the room, which had been painted in the green, red, white and black used by the PLO. The youths are all members of the Sons of the Village, a Palestinian nationalist movement.

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Alert for re-entry of berserk satellite

WASHINGTON. — Emergency teams around the world were on alert yesterday for fragments of a Soviet nuclear-powered spy satellite that U.S. officials said could begin its final plunge through the atmosphere late yesterday or early today.

Pentagon officials monitoring the decaying orbit of the Cosmos 1402 satellite said it will return to earth earlier than expected, between 1753 GMT yesterday and 0553 GMT today (7:53 a.m. today Israel time).

The Soviet Union said on Friday that the main section of the satellite will enter the atmosphere over the Persian Gulf region.

Notwithstanding Soviet assurances that the main section of the satellite, the nuclear reactor and control module pose no danger, U.S. officials said any debris surviving the fiery re-entry through the atmosphere will be radioactive.

The U.S. government has put a special team of experts on standby to clean up any radioactive debris falling out of the sky. Similar emergency steps were being taken in other countries under the satellite's final line of descent.

The Pentagon reiterated that there is a 70 per cent chance that the main section of Cosmos 1402 will come down over one of the world's oceans. But officials said radioactive fragments might be scattered over a wide area and some of them could hit land.

The sultanate of Oman proclaimed a state of "red alert" yesterday in anticipation of the possible re-entry over the Persian Gulf by radioactive fragments.

Oman radio asked all citizens to remain indoors until 1500 GMT today (5 p.m. Israel time), to keep monitoring their radios for hourly instruction bulletins, and to report promptly any sightings of falling objects.

In Kuwait, the government said it has asked the Soviet Union for "adequate information" on the probable location where the latest Cosmos fragments might come down, following Japanese television assertions that the oil-rich Gulf region is the prime candidate.

A front page map reproduced by the United Arab Emirates newspaper *Al-Khaleej* maintained that the probable splashdown area was a circle covering large areas of the Persian Gulf, the entire sultanate of Oman, the UAE, and parts of Iran, Saudi Arabia and South Yemen.

Saturday night, Sri Lanka radio reported that a strange object about the size of a tennis ball had fallen out of the sky 80 kilometres north of Colombo.

Scientists could not say whether it was debris from the satellite, which went out of control on December 28 and broke up into three sections.

The main section of Cosmos 1402 could weigh up to 3,630 kg. The satellite, launched on August 30 last year, carried a nuclear-powered radar antenna to track U.S. and allied shipping. (Reuter, AP)

U.S. storm kills 18

ATLANTA (AP). — More than 170,000 homes across the Deep South were without electricity on Saturday after a winter storm snapped power lines with freezing rain.

Eighteen persons were reported killed in traffic and sledding accidents.

Wage agreement staves off Italian government crisis

ROME (Reuter). — Marathon negotiations on which the Italian government effectively staked its survival have ended in eleventh-hour agreement on reform of the wage-indexation system.

The accord reached Saturday night between management and trade unions on the basis of proposals by Labour Minister Vincenzo Scotti headed off a threat from employers to withdraw from the system unilaterally next month.

The text of the agreement was not made public. But official sources said it included a cut of about 15 per cent in the automatic inflation-linked wage increases paid under the systen, which was last reformed in 1975.

The agreement brought at least temporary security to the seven-week-old government of Prime Minister Amintore Fanfani, which had made it clear it could not pursue its economic targets without such an accord.

It aims at reducing 1983 inflation to 13 per cent from 16.3 per cent last year and holding the spiralling public sector deficit at the $51.7 billion level reached in 1982.

The indexation system, one of Italy's most inflammatory political issues in recent months, is based on an index reflecting 100 consumer goods. Each rise in the index triggers identical across-the-board wage rises for workers.

Sports

Borg definitely calling it a day

BANGKOK (AP). — Swedish tennis star Bjorn Borg formally announced his retirement from competitive tennis here yesterday saying he no longer has the competitive spirit which led him to five Wimbledon and six French Open championships.

Borg's coach Leonard Bergelin said from his hotel here that Borg had made the announcement to reporters who were following his exhibition matches in Thailand. Bergelin said Borg would play one more tournament on the Grand Prix circuit, at Monte Carlo in the first week of April. He would, however, continue playing exhibitions.

"Bjorn doesn't have the fighting spirit to go on practising four hours a day. We have been playing for three months, and he is in good shape, but he has the feeling that he doesn't have it," said Bergelin.

Borg must apparently play in the upcoming Monte Carlo event to retain his tax-exempt status there.

The news of his firm decision to pack in competitive play somewhat overshadowed developments at the Masters tournament in New York where Ivan Lendl and John McEnroe, both in devastating form, reached the final.

Rarely, if ever, has Jimmy Connors been so thoroughly overwhelmed as he was by Lendl, who has now beaten him three times in their last four meetings. Lendl's booming serve was a key factor in the crushing 6-3, 6-1 semi-final victory.

McEnroe, equally determined in his bid to win the title taken last year by the young Czech, was also in flashing form as he blazed to a 6-3, 6-3 triumph over Guillermo Vilas.

On the women's circuit Hana Mandlikova overpowered Billie Jean King 6-4, 6-3 to win a $100,000 championship in Cincinnati.

Bombing challenge but Redskins hold out

WASHINGTON (AP). — Power running John Riggins smashed into the end zone for two touchdowns and Washington's determined defence held off a furious second-half rally by untested quarterback Gary Hogeboom as the Redskins beat the Dallas Cowboys 31-17 on Saturday for the National Football Conference championship and a trip to Super Bowl XVII.

The Redskins, who won the conference crown for the first time in decade against their fiercest rivals, play the winners of the American Conference either the New York Jets or the Miami Dolphins. Super Bowl is next Sunday at Pasadena, California.

Riggins became the first player in NFL history to have three straight 100-yard rushing games in the playoffs. He carried 36 times for 140 yards against the Cowboys, who were beaten for the third consecutive year in the NFC championship game. Hogeboom had come off the bench after Cowboys' quarterback Danny White was sacked by Dexter Manley, suffering a concussion with 24 seconds left in the first half. The third-year quarterback from Central Michigan University had never thrown a pass in his first two years in the NFL. But he looked like a seasoned-pro, tossing long touchdown passes to Drew Pearson and to Butch Johnson as Dallas came roaring back from a 14-3 halftime deficit. It was, in the end, all in vain, however.

In Mobile, Alabama, Dan Marino's second-half passing — a pair of 11-yard scoring strikes — carried the North to a 14-6 victory over the South in the Senior Bowl Game.

Lamb's effort outdone by ravenous Aussies

MELBOURNE (AP). — A scintillating 94 from Alan Lamb was not enough to carry England to victory in their crucial one-day cricket international against Australia here yesterday as the Aussies virtually clinched their spot in the final of the triangular World Cup event with a five-wicket victory.

England managed an impressive 213-5 in their 37 allotted overs but then their bowling was sprayed to all corners of the field by the ravenous Australian batsmen Dyson and Border each cracked 54, Hookes following up with 50 and Chappell with 32 not out, as the Aussies got home with two overs to spare.

In Lahore, opener Mudassar Nazar was just one run away from his third century of the series as Pakistan reached 224 for five in their first innings on the opening day of the fifth Test against India. Pakistan are 3-0 up in the six-match series.

SCOREBOARD

BOXING: Top-rated light-heavyweight Eddie Mustafa Muhammed scored a unanimous but unpopular points decision over Jerry Celestino in a 10-round bout in Nevada.

SPORTOTO DIVIDENDS: The 48 persons who forecast all 13 matches correctly in the weekend football pools each wins IS73,900. The lower dividends however are poor. 12 correct is worth IS1,750 and 11 — IS187. Because of the multitude with 10 right the fourth prize is not distributed.

Sino-Soviet thaw 'not aimed at others'

PEKING (AP). — The improvement of Sino-Soviet relations is not directed against any other country, an official Chinese magazine said yesterday, as it reiterated Chinese denunciations of both the Soviet Union and the U.S.

China and the Soviet Union opened talks late last year on ways of improving bilateral relations, which have been frigid since the two Communist giants split over ideology two decades ago. A second round of discussions is due to be held in March.

The English-language *Peking Review* said that besides violating commitments concerning Taiwan, the U.S. has a policy of "discrimination against China in economic and trade affairs."

It said the deterioration of Sino-Soviet relations" stems from Soviet "hegemonism," and improvement "has to be brought about by deeds rather than words" from the Soviets.

The magazine said China considers its own interests and the interests of world peace in formulating foreign policy, and has no special policy of keeping Moscow and Washington "equidistant".

"China has no intention of balancing the scales between the U.S. and the Soviet Union. We are against whoever seeks hegemony, be it the U.S. or the Soviet Union."

The article was published a week before the scheduled visit to Peking by U.S. Secretary of State George Shultz, who is expected to discuss Soviet relations with his hosts.

Western diplomatic sources say another major aim of Shultz's trip will be to develop mutual confidence so that relatively unimportant disagreements, such as that over textile trade, are not magnified.

Iran, Syria and Libya condemn Iraqi aggression

NICOSIA (AP). — Iran, Syria and Libya condemned "Iraqi aggression against Iran" and called on the Iraqis to "rebel and liberate" their country, the official Iranian news agency, IRNA, reported yesterday.

The agency said this came in a joint communique issued late Saturday night on Iranian Foreign Minister Ali Akbar Velayati's talks with Syrian and Libyan officials in Damascus since last Thursday.

IRNA telexed excerpts of the communique to the Associated Press office in Nicosia, Cyprus, saying the communique was issued simultaneously in Teheran, Damascus and Tripoli.

Velayati returned to Teheran Saturday declaring the purpose of his talks in Damascus had been to "prevent the Palestinian issue from being compromised, to oppose Zionist occupation of Lebanon," and to oppose "conspiracies hatched to prop up (Iraqi President Saddam) Hussein's shaky regime."

The communique expressed support to Iran "in defending its just rights and stressed the importance of strengthening the brotherly relations between Iran and the Arab world on the basis of cooperation and non-interference in their internal affairs," IRNA said.

The three countries also expressed opposition "to efforts made for the return of Egypt to the Arab fold and the Islamic organization without Egypt's withdrawal from the disgraceful Camp David accord."

Headless body may be missing journalist

NEWARK, New Jersey (AP). — A headless body that may be that of a missing American journalist will be returned from El Salvador early next week, a congressman returning from the war-torn Central American nation said Saturday.

Robert Torricelli, who took office three weeks ago, returned Saturday night from a four-day trip to El Salvador that he undertook on behalf of the family of the journalist, John Sullivan.

Sullivan, 26, vanished December 28, 1980, after registering at a San Salvador hotel. He had gone to El Salvador to write a story on the internal strife there for *Hustler* magazine.

Sullivan's family has unsecessfully pressed the American and Salvadoran governments for an explanation of his whereabouts or location of his body.

Last summer, an anonymous letter sent to the American embassy in El Salvador told of a headless body matching Sullivan's description that had been buried outside the Salvadoran capital.

Until now, the Salvadoran government had allowed the body to be examined but refused to release it. Dr. Frederick Zugibe, the medical examiner hired by Sullivan's family, said a look at X-rays indicated the corpse could be Sullivan's.

Hijackers preferred Egypt over Syria

KUWAIT (AP). — Two Palestinians held in Djibouti for hijacking a South Yemeni jetliner were quoted yesterday as saying they wanted to flee to Egypt "rather than go to Syria."

The newspaper *Al-Qabas* said the two identified themselves only as members of the Marxist Popular Front for the Liberation of Palestine and said they are naturalized Syrians without passports.

They commandeered the airliner during a regular flight from Djibouti to Kuwait last Thursday, when they tried to divert the plane to Caifo.

But the pilot "had" to land in Djibouti for refuelling, and then he managed to escape along with his co-pilot, they told the paper in an interview in Djibouti, where they are in custody.

"We did not wish to stay on in South Yemen, nor did we want to go to Syria," the paper quoted the pair as saying. "We are wanted in Syria, because we had escaped conscription."

Italians turn down Archbishop Trifa

DETROIT (Reuter). — Italy has refused to accept a Rumanian Orthodox Church leader, ordered to leave the U.S. for his links with Nazis during World War II, Justice Department officials said last week.

Archbishop Valerian Trifa, 68-year-old head of the Rumanian Orthodox Episcopate in the U.S. and Canada, was served with a deportation order last year after he admitted lying about his past when he entered the U.S. 30 years ago.

Switzerland has already rejected his immigration plea. Justice Department attorney Kathleen Coleman said the archbishop told the department of Italy's decision earlier last week. The archbishop could not be reached at his church headquarters in Grass Lake, Michigan, for comment.

She said officials were still trying to find a country which would accept him. "We're going to get him out," she said.

In October, a Detroit judge ordered the archbishop to leave the U.S. within 60 days after finding a country willing to admit him.

Nile water to flow to Sinai next month

CAIRO (Reuter). — Water from the Nile River will flow to the arid Sinai Desert next month, the governor of Northern Sinai, General Mounir Shash, said yesterday.

He told the semi-official newspaper *Al-Ahram* that the water will initially reach Beir Abd, halfway to El Arish, capital of Northern Sinai.

It will be syphoned through pipelines across the Suez Canal and used for drinking, leaving artesian wells to be used for land reclamation projects, he said.

Shash, who gave no details about costs, said a plan to pipe Nile water to El Arish will be completed in three years.

Egypt plans to reclaim parts of Sinai for settlement by some of its 45 million people, who are concentrated in the fertile Nile Delta on about 5 per cent of the country's total land.

Princess Diana said to be 'bored, lonely'

LONDON (AP). — Princess Diana, still trying to adjust to the pressures of public life, is "bored, desperately lonely and near to tears much of the time," Britain's mass-circulation *News Of The World* newspaper reported yesterday.

Her union with Prince Charles, Britain's heir to the throne, "is rapidly becoming the world's most difficult marriage," the newspaper said, adding that the couple's relationship is causing concern to the rest of the royal family.

"They have two bewildered and unhappy people on their hands. For unlike most newlyweds, both Charles and Di know that if they have made a mistake they are trapped for life," the paper said.

POLL — U.S. President Ronald Reagan's approval rating has slipped to 38 per cent, its lowest level since he took office, according to a poll released Saturday by *Newsweek* magazine.

Eichmann play shocks Munich audience

MUNICH (AP). — *Brother Eichmann*, a play about the SS leader executed in Israel in 1962 for his role in the mass slaughter of Jews in Nazi-occupied Europe, shocked the audience into silence with its world premier in Munich's Residenz theatre this weekend.

Consternation delayed the applause for a few moments after the final curtain went down. The play was written by the late Heinar Kipphardt.

Brother Eichmann is an attempt to show how an "average bureaucrat," Adolf Eichmann, became a bloody executioner by adhering strictly to all orders given him by his superiors.

Eichmann never laid a hand on his victims, but carried out Hitler's orders to perfection from his desk, according to the play.

Eichmann, played by Michael Rehberg, is shown as a "bookkeeper of death," who considered himself free of guilt even in the face of mass slaughter.

Kipphardt, who died in November, ran into considerable criticism for weaving into the Eichmann play more recent cases of adherence to orders, such as the statement of an American bomber pilot in Vietnam and an account of a terrorist hunt in Italy.

Dieter Giesing, who directed the play, concentrated the action mainly on the Eichmann trial in Jerusalem, alternating film scenes of mass executions of Jews in concentration camps with the self-righteous official of death, who just signed his name to make the executions possible.

Squash Centre opened

Post Sports Reporter

HERZLIYA. — Mayor Yosef Nevo and South African investor Mendel Kaplan hit off a few shots to launch the luxurious eight-court Squash Centre here on Saturday night. The $750,000 project which already has 450 members was opened after a six-week running-in period.

The highlight of the festive evening were demonstrations by six of the country's leading juniors who had undergone coaching in England last year.

The Centre will next month host Israel's first professional squash tournament with the entrants including a dozen overseas players.

Soviet businessman a suicide in London flat

LONDON (AP). — A 62-year-old Soviet businessman was found dead Saturday, apparently after committing suicide in his apartment near the offices of the Soviet trade delegation in North London, police said.

A Scotland Yard spokesman said the body of the man, Ivan Melnikov, was discovered hanging in the bathroom by his wife when she returned to the couple's apartment from a shopping trip. Foul play was not suspected, he said.

(Advertising Section)

THE INSIDE TRACK

A perceptive guide to shopping and services in Jerusalem

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WEEKLY REVIEW

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Going Public

Words Are Weapons as Talks Resume

By BERNARD GWERTZMAN

WASHINGTON

SOVIET and American negotiators are returning to the Geneva arms talks on Thursday after a remarkable week of polemics and posturing that tended to obscure the possibility that Washington and Moscow may yet reach agreements on nuclear weapons in Europe.

Wheeling out the artillery for a hard-sell public relations war, each side has sought to persuade the West Europeans to buy its proposals. President Reagan said the Russians were using "propaganda" while he took the higher road of public relations, "to remind those people that are hearing this propaganda, both here and in Europe, that what the Soviet Union is demanding is the right to maintain enough intermediate-range nuclear warheads to literally hit every population center in Europe. But they don't want a single weapon of a deterrent nature to be there on the other side."

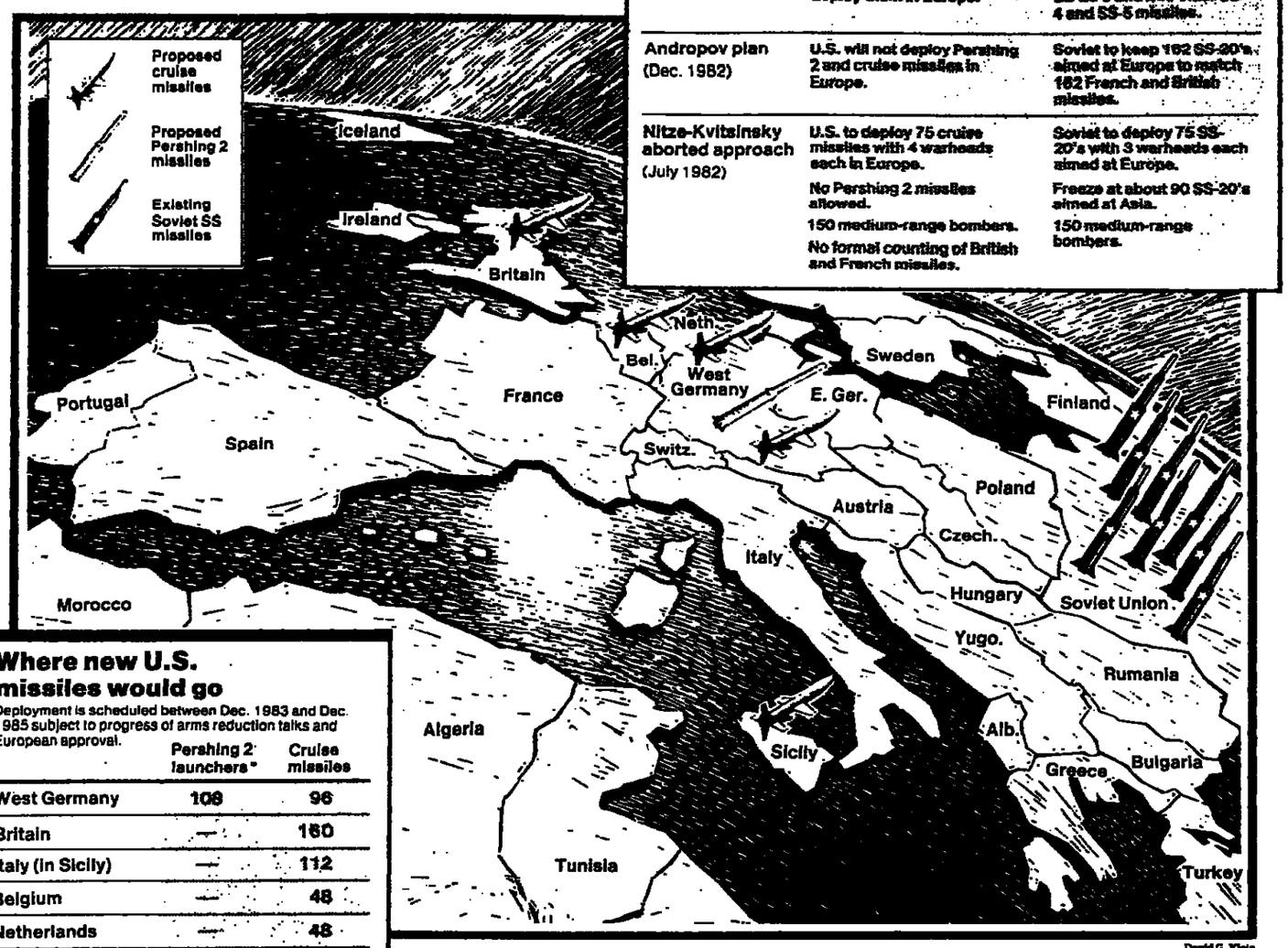
Mr. Reagan called on Peter H. Dailey, his campaign advertising adviser in 1980 and now Ambassador to Ireland, to take charge of organizing Washington's pitch. And William P. Clark, the White House national security adviser, was charged to head a top-level "public diplomacy" committee largely aimed at Americans and Europeans who favor a nuclear weapons freeze.

Soviet Foreign Minister Andrei A. Gromyko, customarily tight-lipped, held a rare news conference last week in Bonn to urge Europeans to abandon the American plan in favor of the newer proposal by Yuri V. Andropov, the Soviet leader. He attacked the Reagan Administration's "zero option." It would eliminate medium-range nuclear missiles in Europe — if the Russians dismantled some 600 they already have deployed, including approximately 340 new SS-20's (some 250 of them in European Russia), the United States has offered to drop deployment of 108 Pershing-2 launchers and 464 cruise missiles.

"The Soviet Union can by no means accept the so-called 'zero option'," Mr. Gromyko said. "Why so? Because this would mean the drastic breakdown of that parity in armaments which has evolved over many years." He insisted the Andropov plan is best. It would reduce the Soviet SS-20's in Europe to 162 — the number of French and British strategic missiles now in place. Since France and Britain are American allies, there would be no need for new American missiles, Moscow contends. But French President François Mitterrand, who followed Mr. Gromyko to Bonn, made clear his opposition to the Soviet offer. Although many of Mr. Mitterrand's ideological cousins, West German Social Democrats, think differently, he seemed to be endorsing the Bonn Government position as he called for Western "determination and solidarity." France and Britain insist they will not relinquish their missiles, which, they call weapons of "last resort" to prevent nuclear blackmail and preserve their nuclear standing.

Given the seeming irreconcilability of the Soviet and American positions, and growing sentiment in Europe for action soon to slow down the arms race, some European leaders have been considering an "interim solution:" Fewer American missiles would be deployed in return for radical cuts on the Soviet side. Such a solution is being discussed in Bonn, London and Rome even though those countries have agreed to take the new American missiles and still formally support the zero option.

The approach also appeals to some American officials, notably Paul H. Nitze, who heads the negotiations on medium-range missiles. Mr. Nitze and his Soviet counterpart, Yuli A. Kvitsinsky, it was revealed last week, had worked out a rough outline permitting both sides to have 75 missiles in Europe. The new American missiles would have been limited to the slow-delivery cruise, instead of Pershing 2's that could strike targets in Russia from West Germany in a matter of minutes. The Nitze-Kvitsinsky approach was rejected by both Washington and Moscow, which apparently did not want to distract Europe's attention from Mr. Andropov's proposals before they were even formally on the table at Geneva.



David G. Klein

Proposals on medium-range missiles in Europe

	U.S.	U.S.S.R.
Reagan plan (Nov. 1981)	U.S. to build 572 Pershing 2 and cruise missiles but not deploy them in Europe.	Soviet to dismantle all its approximately 340 modern SS-20's and 280 older SS-4 and SS-5 missiles.
Andropov plan (Dec. 1982)	U.S. will not deploy Pershing 2 and cruise missiles in Europe.	Soviet to keep 162 SS-20's aimed at Europe to match 162 French and British missiles.
Nitze-Kvitsinsky aborted approach (July 1982)	U.S. to deploy 75 cruise missiles with 4 warheads each in Europe. No Pershing 2 missiles allowed. 150 medium-range bombers. No formal counting of British and French missiles.	Soviet to deploy 75 SS-20's with 3 warheads each aimed at Europe. Freeze at about 90 SS-20's aimed at Asia. 150 medium-range bombers.

Where new U.S. missiles would go

Deployment is scheduled between Dec. 1983 and Dec. 1985 subject to progress of arms reduction talks and European approval.

	Pershing 2 launchers*	Cruise missiles
West Germany	108	96
Britain	—	160
Italy (in Sicily)	—	112
Belgium	—	48
Netherlands	—	48
Total	108	464

*Each launcher fires one missile, but could be reloaded with spare missiles.

In Search of Soviet 'Give'

For the moment, Mr. Nitze's instructions were limited to pursuing the "zero option." Mr. Reagan said this was the "best solution" but he added, "we will listen to and negotiate any fair proposals that are made." Mr. Nitze, who went beyond what State Department and White House officials said were his instructions in July, can probe for progress with Mr. Kvitsinsky; but he must get approval from Washington before making any new offers. The talks on medium-range missiles appeared deadlocked, and progress in the other negotiations in Geneva — on strategic (intercontinental) arms — probably must await a breakthrough in the Nitze-Kvitsinsky talks.

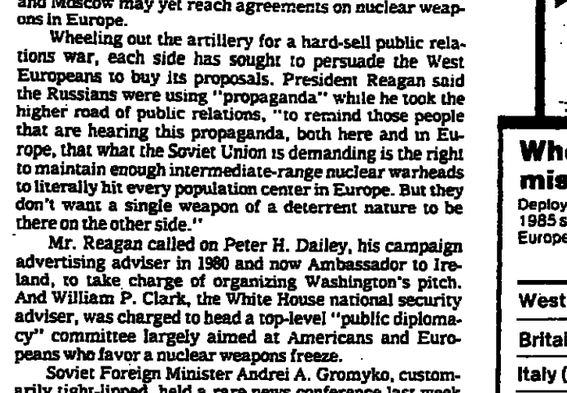
But there were indications that the outlook may yet brighten. Both Moscow and Washington, despite the polemics, appeared to want an accord. Mr. Reagan's language seems to grow more fervent every time he mentions it. On Friday, after meeting with Mr. Nitze and the strategic arms negotiator Edward L. Rowny, Mr. Reagan said, "I am determined to explore every possibility for equitable agreements to reduce the arsenals and the risks of war and to strengthen the foundation for peace." Mr. Nitze added a hint of his own. He said that if the Russians come up with some "give," he was "sure we will give serious consideration to any serious proposal of theirs."

The Soviet Union appears determined to keep the Pershing 2's out of Europe. From Moscow, the Pershings appear as dangerous as Soviet SS-20's in Cuba would look to the United States. In the end, a deal involving American cruise missiles and fewer SS-20's — essentially, Mr. Nitze's offer in July — may be attractive to the Russians.

Moreover, if there is to be a meeting between Mr. Reagan and Mr. Andropov during the remainder of Mr. Reagan's term, it would likely center on arms control, the pattern followed since Richard M. Nixon's first meeting with Leonid I. Brezhnev in 1972. If so, a breakthrough would be needed by summer. Also, deployment of the American Pershings in West Germany is scheduled to start by the end of the year. Missile issues are the probable focus when leaders of the seven biggest Western countries meet in Williamsburg in May, and again during the North Atlantic Treaty Organization meeting in Paris in June. The Russians, to block the Pershings, would probably have to make new proposals by spring. Some officials expect both sides to move after the West German elections on March 6.

Similarly, if Mr. Reagan decided to make arms control a key theme of his Administration, he would have to show the Europeans by spring that he was making an all-out effort. Even if he does not run for re-election, there would be a strong temptation to leave a record of achievement on limiting arms.

To skeptics who argue that Mr. Reagan is so anti-Soviet and so committed to arms spending that an accord would be anathema, Mr. Reagan's supporters recall the record of another noted anti-Communist, Mr. Nixon, who opened relations with Peking and held three summit meetings with the Russians.



United Press International

Paul H. Nitze (left) with Yuli A. Kvitsinsky in Geneva in May.

Major News

In Summary

Budget or No, Reagan Keeps The Show Going

As White House budget hands scurried about backstage last week trying to find the right numbers, their principal was front and center, looking to set the right tone.

To mollify party moderates, President Reagan journeyed to Chicago for a fundraiser for Republican Senator Charles H. Percy, where he promised new proposals for job training for the unemployed. On the way, he dropped in on a nearby all-black parochial high school where, as if to reassure traditionalists, he emphasized the link between education and employment. At a cheerful news conference he celebrated the second anniversary of his inauguration with a review of "the accumulated damage" in economic and international affairs he had inherited and the progress he had made. Yesterday, he covered his social agenda, promising in his weekly radio address to press for Congressional action on tuition tax credits for private schools, school prayer and abortion.

In short, he was campaigning hard. Bits and pieces of the fiscal year 1984 budget he will present to Congress next Monday are said to be still going to the printer. But according to the best estimates, its projected deficit won't come below $185 billion, and then by means that will please no one.

Last weekend's Social Security compromise would bring some $10 billion in savings; $3 billion to $4 billion could come through a freeze on spending of various kinds, including the Federal payroll and retirement programs. Defense costs, though higher than last year's, are reportedly trimmed by $8 billion to $10 billion from earlier balance sheets. Domestic programs seem unlikely to escape without a proposed reduction of another $25 billion to $30 billion.

If, that is, Congress accepts the White House blueprint, which seems more unlikely. The Pentagon's budget, at least rhetorically is considered fairer game by the legislators, and a nervous Republican leadership says the bottom line on much social spending may have already been reached. Of the $100 billion worth of domestic prgrams the White House wanted pulled back in 1981 and 1982, Congress gave it nearly $80 billion.

Then there is fiscal 1985 and beyond — the key to the President's public appearances last week and to the White House's private calculations. The budget for that year will be before Congress during the 1984 Presidential campaign.

The urgency for the longer term is shared by the business community. Its latest exhortation was an impressively endorsed "Bipartisan Budget Appeal" to cut defense and raise taxes more lest the recessions of the 80's make the slumps of the 70's look good. The document, signed by five former Secretaries of the Treasury, was released the day the gross national product was reported to have declined at an annual rate of 2.5 percent in the last three months.

On paper, on the tax side at any rate, President Reagan may comply. To reassure Wall Street that declining interest rates will not be inflated by ballooning deficits, the Administration is considering a $135 billion package of "contingency" tax increases and tax restructuring, perhaps via a flat-rate tax or a consumption tax (a tax on spending rather than income). Mr. Reagan's strategists find the idea attractive for two reasons. It can be called tax reform, and the White House can project steadily receding deficits. The increases would be automatically triggered if Federal red ink rose above $100 billion in 1985.

Pretty much everyone expects that it will. As if in dress rehearsal for next year's battles, the President returned to blaming Congressionally forced compromise for crimping his success in hastening recovery, and the White House released a midterm report. "By the end of 1982," its otherwise exultant 118 pages acknowledged, "grave problems of unemployment remained". Reduction in inflation (consumer prices dropped 0.3 percent in December, it was also reported last week) led the list of "Two Years of Progress."

Salvador Passes A Progress Test

Salvadoran civilians are still being killed by the thousands annually, the Reagan Administration conceded last week, but the trend in official violence is down and the Government is "making serious efforts to improve the situation." The State Department therefore duly certified El Salvador as entitled to receive $25 million in military aid that Congress has approvd for fiscal 1983. Without the aid, Ambassador Deane R. Hinton argued, Government forces would probably be defeated by leftist guerrillas.

"The situation is not perfect," the department said, with qualified candor, "and the progress was not as great as desired, but it is progress nonetheless." It said 200 civilians a month were killed in the last six months of 1982.

Salvadoran human rights groups, supported by the American Civil Liberties Union, Americas Watch and other specialists, insisted the death toll was grossly understated. "This certification is an insult to Congress," which requires the Administration to vouch for human rights progress as a condition for aid, the Council on Hemispheric Affairs said. But even the higher figures — 5,399 dead last year recorded by San Salvador's Roman Catholic Archdiocese — indicated far fewer died than in 1981. An estimated 40,000 Salvadoran civilians have been killed in three years.

The Administratin expressed "particular concern" about the failings of Salvadoran military discipline and "the systematic ineffectiveness" of the country's courts. Five National Guardsmen accused of killing four American churchwomen in December 1980 are unlikely to go on trial before summer, lawyers for the victims' families said. And in the investigation of the murder of two American agrarian reform advisers, a key suspect with close ties to Assembly President Roberto d'Aubuisson is back on military duty because a Salvadoran judge released him for lack of evidence. Agricultural reform has been "vigorously relaunched," the report said.

The findings have already been challenged by Congressmen, doctors, lawyers, academics and others among the 16 delegations from the United States making their own inspections of El Salvador this month.

Mount Laurel Revisited

In the years since the New Jersey Supreme Court struck down exclusionary zoning in Mount Laurel Township, and by extension communities like it throughout the state, it has become apparent that landmark rulings do not always change the lay of the land. So last week the state's highest court handed down Mount Laurel II.

In a unanimous 270-page decision settling six zoning cases, the court ruled that, in addition to changing planning laws, towns were obligated to encourage developers with tax or zoning incentives, assist them in applying for Federal aid or require them to include low-income units in upper-income projects — in short, to do what it takes to insure that housing for the poor is actually built. It also set up a three-judge panel to cut through the cases the decision was likely to spawn.

Unlike the 1975 ruling, which applied only to towns that were still growing, last week's sequel affects communities of all kinds (though fully developed areas are not required to do as much as underdeveloped ones). As for Mount Laurel, Chief Judge Robert N. Wilentz said in the opinion that the Burlington County community, like many New Jersey towns, "remains afflicted with a blatantly exclusionary ordinance." "We have learned from experience that unless a strong hand is used, Mount Laurel will not result in housing, but in paper, process, witnesses, trials and appeals," he said.

Joseph Rodriguez, the state's Public Advocate, called the ruling "the most dramatic handed down by any court since the one-man, one-vote decision." Some municipal officials were less enthusiastic about the decision, which may, like its predecessor, spur fair housing efforts across the country. But people on both sides seemed to agree that Mount Laurel II may not have much impact until the housing industry improves or Federal aid increases.

Washington piqued at 'moderate' Saudis

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The World

Nakasone and Reagan Pitch Some Metaphors

Japanese Prime Minister Yasuhiro Nakasone acknowledged the "showers" of protests and "storms" of complaints that greeted his first visit to Washington last week but made it plain he could do little to change the weather.

Just before his guest's arrival, President Reagan had come under strong pressure from American business and labor to press the Japanese for an end to what Douglas A. Fraser, head of the United Automobile Workers, called "a discriminatory, unfair and unequal trade relationship." But Mr. Nakasone offered no big breakthroughs on industrial and farm goods the United States wants to sell in the Japanese market. Emphasizing his difficult political position, Mr. Nakasone told the President he was like a relief pitcher called into the game with the bases loaded and no outs. He had to be careful of every pitch lest he be knocked out of the game. Consequently, he limited himself largely to expressions of sympathy for the plight of American industry and to assertions that Japan was reducing trade barriers faster than any other nation.

Mr. Reagan replied that he had once portrayed the pitcher, Grover Cleveland Alexander, in a movie and saw himself in the same tight spot as Mr. Nakasone. In the end, the President could do little more than warn that Japan's trade restrictions "continue to weigh heavily" on relations.



Prime Minister Yasuhiro Nakasone (left) with Secretary of State George P. Shultz in Washington last week.

On defense cooperation, Mr. Nakasone got higher marks, at least in Washington. He had increased the Japanese military budget shortly before the visit and thus could assure the President of his intention "to share responsibilities" for defense through a five-year plan to strengthen surveillance around Japan against Soviet planes and ships. The Prime Minister's support for a more active defense role provoked a harsh Soviet warning that Japan could face a retaliatory strike more devastating than the nuclear attacks by the United States in 1945. The State Department accused Moscow of intimidation tactics, but seemingly unperturbed, Mr. Nakasone announced on his return that Japan and the United States would undertake an 18-month study leading to Japan's responsibility for protecting sea lanes extending 1,000 miles to its south.

Debtor Nations To Get a Boost

Two ways to help the debt-burdened nations, and themselves, got general approval last week among 11 of the wealthiest members and associates of the International Monetary Fund.

The Group of 10 leading industrialized nations in the I.M.F. and Switzerland decided in Paris to almost triple their commitment to the fund — from close to $7 billion to $19 billion — for emergency purposes. This special line of credit, restricted to the 11 up to now, will be made available to developing countries. The credits, plus an expected substantial increase in I.M.F. regular resources, are intended to help preserve the world banking system from a wave of defaults.

The 11 also indicated that greater economic stimulation in the industrialized world was in order as long as it did not re-ignite inflation. A policy of faster growth in countries like the United States, Japan, West Germany and Britain, where inflation has been slowed, would not only alleviate their unemployment but help the poorer countries earn their way out of debt through expanded markets for their raw material exports.

Some confusion in European minds about whether the Reagan Administration was changing its priorities from inflation to growth was created when Treasury Under Secretary Beryl Sprinkel, a strict monetarist, said in Paris that it was "critically important" to begin taking expansionist steps. Mr. Sprinkel's remark apparently startled his colleagues in the United States Treasury, notably his boss, Secretary Donald T. Regan. Mr. Regan did not rule out growth but emphasized it had to be achieved "in a more stable fashion."

China Closes Some Gates

China last week provided a taste of what all-out protectionism could be like, slapping a ban on further purchases this year of American cotton, soybeans and synthetic fibers. The ban, mainly affecting $60 million in soybean imports, was only a pinprick in Chinese-American trade that totaled $5.3 billion last year and is expected to go higher with Chinese oil and Boeing 737 aircraft deliveries in 1983. But Peking trade officials spoke ominously of more painful restrictions if Washington blocks China's demands for a bigger share of the United States textile market and continues the unilateral quotas it imposed last weekend.

Peking already has 6 to 10 percent of the American textile market, depending on who's counting, and is pushing to overtake Taiwan, Hong Kong and South Korea. Its Asian rivals have already accepted low-growth ceilings arranged at the behest of the American industries.

Administration negotiators had hoped for agreement before Secretary of State George P. Shultz arrives next month for his first official visit to China. Now textiles may get mixed in with other delicate issues such as the $10 million American satellite tracking station Peking has ordered.

France Rakes Up A Bitter Past

Maurice Papon, once one of France's most prominent civil servants and politicians, discovered last week that the pain of history may subside for a while but never really goes away. After 40 years in high posts, he was indicted in Bordeaux for "crimes against humanity" for the part he allegedly played in sending Jewish children to Auschwitz during the Nazi occupation in 1942.

Charges that Mr. Papon helped carry out German deportation orders when he ran central government services in the southwest Gironde department coexist with evidence that in the same post, he was active in the resistance movement. On the basis of his resistance record, he was able to go on to a distinguished career, notably as head of the Paris police during the first years of the Fifth Republic and from 1978 to 1981 as Minister of the Budget in the Government of President Valéry Giscard d'Estaing. But there is no statute of limitations in France for occupation crimes, either in law or in men's hearts. With anti-Semitism very much a current issue, Mr. Papon finds himself, at the age of 72, plunged backward in time.

Calming Waters On the Falklands

The Falkland Islands war was nobody's fault but Argentina's, a British commission of inquiry decided last week. The panel, including opposition party members, exonerated Prime Minister Margaret Thatcher and British intelligence for failing to foresee or avert the two-month $2.6 billion war that took the lives of 255 Britons and nearly 712 Argentines.

Adrian Monk, the Falkland representative in London, was skeptical, as were some in Parliament. "I find it difficult to believe that there were no strong indications from Argentina," Mr. Monk said, "with all the maneuvers and stockpiling that were taking place" before the invasion in April of last year.

The commission noted only that it had been "inadvisable" for the Government to announce plans to withdraw the symbol of a British presence, the naval patrol ship Endurance — to save money. Similarly, it added that Argentina may have misjudged London's devotion to the 1,800 islanders when the Government denied some of them full British citizenship and allowed Falkland development plans to gather dust. The 3,500-man Falkland garrison now is costing $678 million a year. "We have no option now except for Fortress Falklands," insisted Mrs. Thatcher, reporting on her recent brief visit.

British defense officials said last week they were taking seriously American intelligence reports that Argentina has increased reconnaissance activity around the South Atlantic islands and is training commandos for possible sabotage raids.

Milt Freudenheim and Henry Giniger

King Fahd Disappoints U.S. on Lebanon, Jordan Negotiations

Pique in Washington Over Those 'Moderate' Saudis

By THOMAS L. FRIEDMAN

BEIRUT, Lebanon — When President Reagan presented his Middle East peace initiative in September, it was taken for granted in Washington that Saudi Arabia could be counted on to use its financial leverage to encourage both Jordan's King Hussein and the Palestinians to come to the bargaining table. And when Israel and Lebanon entered into peace and withdrawal talks, American officials assumed the Saudis would help Lebanon sell an American-mediated agreement with Israel to Syria and the Palestine Liberation Organization, to secure withdrawal of their forces as well. But after three months of largely fruitless negotiations on both fronts, it has become apparent that Saudi assistance has not been and probably won't be forthcoming, leading piqued Reagan Administration officials to wonder, "Just how moderate are the 'moderate' Saudis?"

To some extent, the question is unfair to the Saudis, who cannot be blamed for slow progress in either negotiation. The question itself is rooted in misconceptions about Saudi Arabia, which have been shared by several Administrations, and are based on a curious blend of naiveté, oriental romanticism and outright wishful thinking. According to this view, the Saudi ruling family is a deeply conservative and unabashedly pro-American lot, which shuns all political extremes. They supposedly do not really care if a Palestinian state is ever created and live in such fear and dread of communism and Arab radicalism that they can always be counted on to back Washington on critical issues.

This view clearly underlay the Carter Administration's expectation that Riyadh would accept, and even help sell, the Camp David accords — a fanciful hope that took several trying months to dispel. The basic reasons for Saudi resistance to Camp David also explain its present behavior.

Riyadh's Golden Rule

To begin with, says Ghassan Salameh, a leading expert on Saudi Arabia at Beirut's St. Joseph University, the Saudi ruler, King Fahd, is a "mediocre" and hesitant statesman who is far more adept at dealing with his tribal clans than acting on the world stage. Unlike his predecessor, King Faisal, Fahd does not appear to have a clear-cut strategy for either oil or diplomacy.

King Fahd's tendencies must be viewed against some basic tenets of Saudi policy, which run counter to at least some of the current objectives of American diplomacy in Lebanon and the Reagan plan.

If there is a golden rule of Saudi diplomacy it is: Never try to operate outside the Arab consensus on a key issue. Never go it alone. To do either risks exposing Saudi Arabia to attacks from radical elements and would ultimately threaten the regime. "Saudi Arabia is not a leader," Mr. Salameh said. "It is a consensus builder. When there is no Arab consensus on an issue, it prefers to stand pat rather than get out ahead of the rest."

For Riyadh, the minimal Arab consensus is essentially embodied in the Arab peace plan adopted last year at Fez, Morocco: implicit recognition of Israel — but only after the creation of an independent Palestinian state, with Jerusalem as its capital — and the return of all other "occupied Arab territories."

Although American policy makers had convinced themselves that the Saudis are not committed to an independent Palestinian state — which is expressly ruled out by the Reagan plan — Saudi support for such a state has never wavered; three leading Saudi princes — Abdullah, Salmaan and Sultan — have recently reiterated the point.

In the framework of overall Saudi policy, Riyadh's positions on Lebanon and the Reagan plan, whether "moderate" or "immoderate" in Washington's view, seem perfectly consistent and even predictable. Put simply, the Saudis do not want Jordan's King Hussein to be the next Anwar el-Sadat, nor do they want Lebanon to be the next Egypt. The Saudis have reportedly made clear to King Hussein, if only by their silence regarding the Reagan plan, that they do not want him to act outside the Arab consensus laid down at Fez, and cannot be counted on to support him financially if he does. In their view, a lurch by Jordan toward the Reagan plan, in the absence of pan-Arab approval, would open up yet another fissure in an already divided and enfeebled Arab camp and would shift the balance of power and bargaining strength that much more in Israel's favor.

As for Lebanon, the Saudis have told President Amin Gemayel that financial aid for reconstruction will not be forthcoming until all Israeli forces have withdrawn. In addition, they have counseled the Lebanese, according to officials directly involved in the negotiations, not to agree to any "normalization" with Israel that would imply a peace on terms outside those laid down at Fez.

Lebanese negotiators find it somewhat amusing that the Americans think the Saudis are working to pave the way for a Lebanese-Israeli agreement, since the Saudis have told Beirut to stand firm as a means of pressuring Washington. As for Saudi pressure on Syria, that has yet to manifest itself. Just who is pressuring whom is not at all clear; the American envoy, Philip C. Habib, flew to Saudi Arabia yesterday to try to find out exactly where the Saudis stand.

"The Saudis have told us explicitly," one of Lebanon's negotiators said, "that we can give Israel whatever is necessary on the security issue and they will support us. But when it comes to normalization, 'Wait for the train,' they say. 'We must all deal with Israel together. Don't be another Sadat.' "

Judging from last week's talks, the Lebanese do not intend to agree to any form of normalization, with or without Saudi support. The Lebanese have been telling the Americans and Israelis that normalization would be used by Syria and the P.L.O. as an excuse to keep their forces in Lebanon, which would hold up any Israeli withdrawal as well. That would leave Lebanon with what its negotiators describe as the worst of all worlds — normalization with Israel, without any withdrawal of foreign forces.



Sygma/Chauvel
Saudi King Fahd

Politics in Portugal Is Like Playing Poison Darts

Lisbon Lurches Through 15th Governmental Crisis



The New York Times/Marvine Howe
Portugal's National Assembly building in Lisbon.

By JOHN DARNTON

LISBON — Several weeks ago a cartoon in a right-wing weekly depicted an unemployment office advertising the job of Prime Minister. There was only one applicant — "E.T."

There *is* something extraterrestrial about Portuguese politics. They have a kind of fury that seems out of keeping with Lisbon's gentle ambience of cobbled streets, pastel-painted villas and canaries hung out in cages to sing in the sunshine.

The slings and arrows of normal political discourse fly high and fast here. There is an element of personal rivalry and vindictiveness in the speeches and maneuverings. Politicians resign from office, abruptly and sometimes more than once, as a point of honor or personal dignity.

Perhaps it's because the country is so compact — the capital has only 800,000 souls and everyone in politics knows everyone else — or because there was neither political life nor regular parties during the 48 years of dictatorship that ended with the revolution of 1974. But with the aggravating circumstance of severe economic problems — inflation is runing at close to 23 percent — Portuguese politics and politicians have not yet settled down. If history is any guide, they may never settle down. During the first republic, between 1910 and 1926, Portugal had an average of one government a year.

Now a five-week-long political crisis is lurching toward a resolution. President Antonio Ramalho Eanes will either accept an uninspiring candidate for prime minister from the ruling but fractious right-wing coalition, the Democratic Alliance, or he will dissolve Parliament for new elections. Either way, the Portugese will get a new government, their 15th since 1974.

The crisis began Dec. 19 when Prime Minister Francisco Pinto Balsemão resigned because the coalition that had held power for three years — made up of his own Social Democrats, Christian Democrats and Monarchists — lost ground to the Socialists in municipal elections. He spoke darkly about "opposition, incomprehension and betrayals" within the coalition.

Undercut by His Party

Mr. Balsemão had resigned once before to silence the critics in his party, which has never recovered from the death of its charismatic founder, Francisco Sá Carneiro, in a plane crash in 1980. For two years as Prime Minister, Mr. Balsemão had been criticized and undercut by party members. Some were implacable Sá Carneiro loyalists. Others bridled under the Prime Minister's easy-going style of leadership. Still others were advancing their own ambitions.

Nor did he find any support from his principal coalition partner, the Christian Democrats, headed by Diogo Freitas do Amaral. As the Prime Minister was visiting Washington, Portuguese newspapers were describing the elections, which the coalition had won, as a major setback because of the Socialist gains, and were speculating about his political demise. His own party executives were drawing up what one called "new solutions."

In an interview last week, Mr. Balsemão lamented the personal fights and the dearth of ideas that characterize political life.

The parties, he said, have to make "a qualitative jump — they can't be based only on people but must have some clear ideas about where they want to lead."

Typically, the present crisis has concentrated on problems of people. Mr. Balsemão had to find a successor, which wasn't easy. He offered the job first to a former Prime Minister, Carlos Mota Pinto, who spurned it. Then Mr. Balsemão turned to Vitor Crespo, a 50-year-old chemistry professor whose only stint in public service, as education minister, was fraught with controversy and ended with his resignation last June.

Mr. Freitas do Amaral, whose Christian Democrats are as split as the Social Democrats, promptly quit as party leader, saying the choice of Mr. Crespo was unlikely to "reignite enthusiasm." Mr. Crespo put together a list of 18 Cabinet members of mostly unknown civil servants and without a single prominent political leader. The outgoing Minister of Justice called it a "gargalhada," a laughing stock. In an interview, Mr. Crespo insisted that only two people had turned down Cabinet posts and that he had wanted to come up with a team of technical specialists. But to the rest of the country it appeared that no political heavyweights wanted to be associated with what seemed a dubious undertaking, bound to collapse within months.

Mr. Crespo himself admits to feeling like an outsider in the politics of his homeland. "I've lived abroad a lot. I confess I'm culturally uprooted here," he said. "I think people speak too much — it's necessary to do a little more work and speak a little less."

Meanwhile, with the old caretaker government still in place, important business was going unattended. The 1983 austerity budget, which provided for hefty tax hikes, was withdrawn. With no budget there was no borrowing authority to float an annual loan of $650 million. Negotiations were stalled over other critical matters — a request for a major International Monetary Fund loan, Portugal's entry into the European Economic Community, and the renewal of an agreement with the United States over military bases in the Azores.

Presiding over all this political and economic uncertainty is President Eanes, a 47-year-old, sphinx-like soldier whose power and influence rival that of the Prime Minister. One expert said this situation contributed to instability because "no one is really sure who is boss." General Eanes set Jan. 15 as the deadline for the Social Democrats and Christian Democrats to agree on Mr. Crespo's nomination and the bickering groups barely met it. Since then he has been consulting and pondering on whether to accept the nomination or call an election.

Fueling the rivalries is the fact that General Eanes is not eligible for re-election in 1985 and a number of politicians like Mr. Freitas do Amaral and Mario Soares, the Socialist leader, are interested in the job.

Facing Political Defeat, Pretoria Resumed Direct Rule Last Week

South Africa's Failed Scheme Is Bigger Loss For Namibia

By JOSEPH LELYVELD

JOHANNESBURG — South Africa's effort to shape a political alternative to the insurgent movement it has been fighting in the territory known as Namibia collapsed last week, further frustrating Washington's hopes for a negotiated settlement of Africa's most protracted diplomatic problem.

The Democratic Turnhalle Alliance, a multiracial front of 10 ethnically based political parties designed to counter the black nationalist South-West Africa People's Organization, was initially a brainchild of Pretoria's Department of Foreign Affairs. When it was hatched five years ago, South Africa was sufficiently confident of the alliance's electoral prospects to subscribe to an agreement on a cease-fire and independence settlement that had been drawn up by a "contact group" of five Western nations, including the United States.

But South African optimism faded when the potential of black political power became clear with Robert Mugabe's landslide in Zimbabwe's pre-independence election. Negotiations on Namibia then turned into a circular exercise. The effects were devastating for the Turnhalle Alliance and its white leader, an Afrikaner rancher named Dirk Mudge, who started to lose support among blacks and whites alike at an alarming rate. Whites resented the efforts he made to attract black support by erasing the vestiges of the apartheid system; blacks were unimpressed by these efforts because they were mostly blocked by South African officials concerned to avoid a backlash among right-wing whites. The erosion was noted by South African military planners who thought the solution was to redesign the Turnhalle Alliance and downgrade Mr. Mudge, replacing him with a black leader who might offer a more plausible challenge to the black nationalists. The harder they tried the surer the South-West Africa People's Organization seemed to be of a victory as decisive as Mr. Mugabe's if only the South Africans would let an internationally supervised election take place. But Mr. Mudge fought to save his political life by bringing the maneuvers into the open and denouncing them.

When he finally resigned last week, South Africa had no alternative but to reimpose direct rule by its top official in the territory, the Administrator General — a tactic the state broadcasting monopoly in South Africa candidly described as a "holding action." Western and South African diplomats insisted that the Mudge resignation would have no effect on the continuing negotiations. The main focus of these talks has been shifted to neighboring Angola by the joint insistence of Washington and Pretoria on the withdrawal of Cuban forces there as a condition for a South African withdrawal from South-West Africa.

But if the long-shot Washington has been playing came home and an agreement were reached in Angola, there would still be no escaping the old question in the tortuous negotiations, which have now lasted six years: Is South Africa prepared to hand over power in Namibia to the force it has been fighting on the territory's northern frontier and thus risk sending a message to its own whites and blacks that black nationalism cannot be stopped?



Sygma/Bill Campbell; Contact/Alon Reininger

Namibian students practicing to march for a parade; Dirk Mudge.

Some optimists among South African commentators expressed the hope that Mr. Mudge could revive the Turnhalle Alliance's prospects now that he has shaken loose from the persistent charge that he is a South African "stooge." But, on closer examination, it seemed that the alliance was even more tattered than many suspected. Mr. Mudge had apparently hoped to persuade his black and other nonwhite colleagues to resign their positions this week in the so-called ethnic authorities that are supposed to oversee the schools and other interests of the various racial and tribal groups that account for the slightly more than one million Namibians.

Successes and Setbacks

But their desire to express solidarity with him and resentment of Pretoria was not strong enough to move them to give up these sinecures. The fact that the Administrator General kept the ethnic authorities going was an indication that South African officials still hoped to piece together a new political patchwork to replace the Turnhalle Alliance and had by no means resigned themselves to a victory by the insurgents.

Assessing the political outlook, one of the most astute politicians in Windhoek, the territory's capital, wrote off the possibility that further South African maneuvering on the local political scene could do anything but boomerang. "There's Swapo," he said, using the common acronym for the insurgents, "and there's nothing. There's no possibility at all of putting together any kind of front or alliance."

The political setback for Pretoria comes at a time when its initiatives have never seemed more successful. For the time being, at least, its raids into Angola have all but neutralized the Swapo insurgents as a fighting force. At the same time, the pressure it is exerting — both through Washington and its support of Jonas Savimbi's Union for the Total Independence of Angola — appears to be causing realignments inside the Angolan regime.

The combination of military defeat and political victory is not unusual in insurgent struggles. French forces were not driven out of Algeria, nor American forces out of Vietnam. They left largely because the wars they were fighting had become unpopular at home. But white South Africa is hardly clamoring for an end to the much smaller war in Namibia and there is no sign of Prime Minister P. W. Botha's Government starting to prepare white opinion by pointing out the dividends that a withdrawal might pay in improved relations in the region and with the West.

Latin American Shift

When Seizing Power Is Easier Than Exercising It

By WARREN HOGE

RIO DE JANEIRO — After a tumultuous period of economic crises and violence in Latin America, an encouraging development has emerged — military retreats in the face of popular pressure for the restoration of representative government.

For the first time in nearly two decades, all five Andean Pact nations — Colombia, Ecuador, Venezuela, Peru and Bolivia — are being run by elected presidents. Even in the most militaristic part of the continent, the Southern Cone, ruling generals have felt obliged by popular antagonism to promise elections in the near future. A year-end demonstration by 100,000 Argentines in the streets of Buenos Aires rang with a slogan that had taken on continental dimensions — "The military dictatorship is going to end."

"In Latin America, unlike the Middle East, Asia or Africa, the permanent alternative to authoritarianism is democracy," said Alfred Stepan, a professor of political science at Yale University and author of a forthcoming book on the subject of such transitions. "These countries achieved their independence at a time of high democratic ideals, the French Revolution and United States independence. Latin America is an extension of Western civilization, and every successful Western regime has been a democracy."

Military takeovers are almost always justified by the need to end disorder and are accompanied by the promise that constitutional rule will return as soon as possible. The promise, however sincere, has usually not been fulfilled with any great hurry.

But lately, bad times have hastened the parade of military rulers back to the barracks. The cycle of military power seizures that may now be subsiding originated in the 1960's and early 1970's when Latin nations were entering a period of sustained growth. Running a country was easier and more profitable. All that ended with the shocks of higher oil prices, the collapse of commodity prices and the rise in interest rates.

Simple weariness with the responsibilities of governing in such circumstances is one reason the generals are in retreat. In addition, they have become alarmed by the effects of corruption, inefficiency and factionalism on their very military preparedness. Their reputation has suffered from the degree of scrutiny that they never knew in the compound. From being the models of admiration that they had fancied themselves, they found themselves pariahs in their own societies. Throughout most of the hemisphere, military rulers have come to recognize that in the long run they are unable to perform the function of political parties. They cannot simply bring in new members and expand to fill the voids of power the way a party can. Brazil's military rulers have been able to make the government function for 18 years only by recourse to civilian "technocrats."



Gamma-Liaison/Abril

João Baptista Figueiredo

For all these reasons, the movement toward restoring civilian government has been gathering momentum. Ecuador, military-run for nine years, elected a president in 1979, and the armed forces today say they will respect the process for the next balloting in 1984. Peru followed suit in 1980, ending 12 years of military government. The same year, Bolivia got as far as holding its election before tanks took over the streets of La Paz. Last October, the Bolivian armed forces installed the Congress and the president, Hernán Siles Zuazo, elected in 1980. They then proceeded to purge their own ranks of the brass hats who recently ran the country. In the past few weeks, the new commanders have cashiered 17 officers, including two former presidents, a former navy chief and a former security chief who was known as the strong man of one of the military governments. Last week, however, Mr. Siles himself was in trouble after squabbling in the Cabinet led to its resignation and a reshuffle.

Brazil's gradual return to representative government made significant progress in November with the first fully free municipal, gubernatorial and legislative elections in 17 years. The term of João Baptista Figueiredo, the fifth successive general to run Brazil, ends in 1985, and a civilian might succeed him since the Government party controls the electoral college and could choose someone acceptable to the armed forces. Favoring Brazil's methodical democratization is an amnesty that has alleviated the antagonisms of the past and the presence of parties prepared to resume running the country's public life.

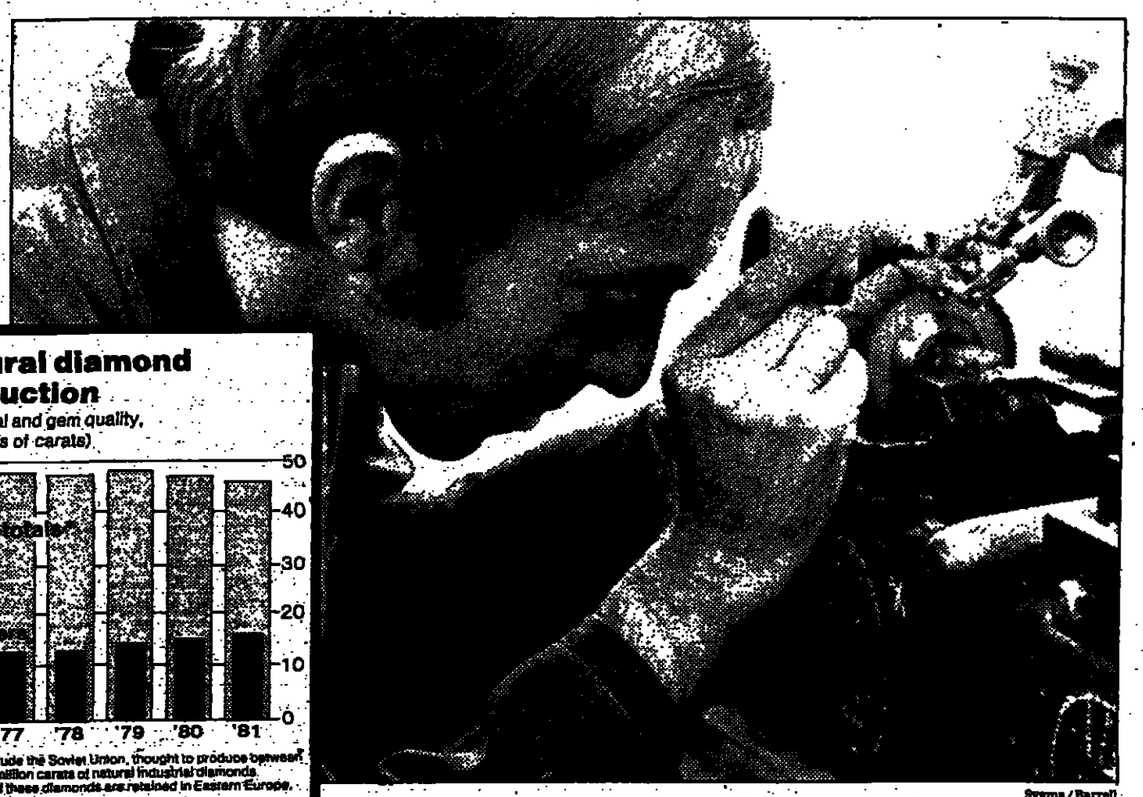
Also in 1982, the generals who run Argentina and Uruguay promised they would hold presidential elections in 1983 and 1984, respectively. The prospects for a peaceful transition look better in Uruguay, however. There, the two traditional parties, the Blancos and Colorados, have maintained their organization and offered the besieged military a graceful way out. In Argentina, the newly united civilian party leadership and the largely discredited military are at odds over what is to be done about the responsibility for the estimated 6,000 people who "disappeared" during the years of repression.

Colombia, Mexico, Costa Rica and the Dominican Republic have all elected new presidents in the past year, continuing relatively strong democratic traditions. Honduras ended more than 10 years of armed rule with the election of Roberto Suazo Cordova.

But there are still a number of countries with highly uncertain democratic prospects, to say the least. El Salvador went to the polls to choose a Constituent Assembly in the midst of guerrilla warfare but only rightist parties participated and that country's evolution into a civilian-based democracy is still in doubt. Such is also the case in Nicaragua, where the Sandinist leadership speaks only vaguely of elections in 1985. Guatemala's dictator, Gen. Efraín Ríos Montt, has promised elections for next year but the future for stable democratic government seems as cloudy there as in El Salvador.

Any moves toward representative government in Paraguay are not expected to occur as long as Alfredo Stroessner, in power since 1954, remains alive. Chile's dictator, August Pinochet Ugarte, has made constitutional provision for clinging to power until at least 1989 although his regime has come under increasing attack. The Chilean regime still garners a measure of support by contending that the alternative would be a return to the chaos that ended when the military ousted the leftist regime of President Salvador Allende Gossens in 1973.

Diamonds Can Crack, but Will De Beers?



Sygma / Barrell

Diamond cutter in Johannesburg.

By BARNABY J. FEDER

LONDON — Diamonds may be nature's hardest substance but they shatter if struck the wrong way. The lesson has worried many a diamond miner, merchant and jeweler during the five decades that South Africa's De Beers Consolidated Mines Ltd. has brought profits and stability to the diamond industry by maintaining what, in theory, is very fragile — an international monopoly.

In recent years, the industry and De Beers have been bludgeoned from several directions. This month, the company announced 1982 raw and industrial diamond sales totaling $1.26 billion. Although sales for the year were still below the 1981 figure and a full 46 percent below the peak of two years ago, the final six months of last year represented a 19 percent increase over the same period in 1981. De Beers said this meant the worst was over. The company controls 80 percent of the trade in raw diamonds, more than half of this from its own mines.

Six months ago, many experts believed De Beers was losing its iron grip on the market. A glut of diamonds in the hands of cutters and dealers had loomed darkly since 1980. Sales were hobbled by recession, high interest rates and the collapse in prices of high-grade investment diamonds that had attracted speculators and showy salesmen during the late 1970's. De Beers's contention that "diamonds are forever" — implying they are a timeless purchase that never loses value — was shaken.

The monopoly had to honor contracts with suppliers as diverse as the Soviet Union, Angola and Botswana, while reducing the glut in the distribution chain. It cut back production and accumulated a huge stockpile now worth close to $2 billion as it bought diamonds from outsiders and reduced sales that supply the gem cutters of New York, London, Antwerp, Bombay and Tel Aviv.

The average jewelry purchaser saw few, if any, price reductions as the industry closed ranks to preserve the idea that diamonds hold their value. But wholesalers, who usually buy by the box, received a slightly better assortment at prices that did not rise for 30 months. Since no two diamonds are alike, grading them into thousands of classifications leaves considerable room for subjectivity.

Ambivalence in Africa

As part of Harry Oppenheimer's South Africa-based mining empire, De Beers is far from broke, but it has paid a steep price to preserve its monopoly. In two years, cash reserves of $1 billion were wiped out, earnings plummeted and last March, the company was forced to cut its dividend for the first time in 37 years. Mr. Oppenheimer said market conditions were the worst since early in the Depression of the 1930's.

To make matters more difficult, Zaire, one of the largest producers of industrial grade diamonds, let its marketing agreement with De Beers lapse in 1981, raising fears that others might follow. Black African countries are among the leading producers and some of them have refused to sell to De Beers. Many black Africans excoriate the giant Southern African mining companies, accusing them of harnessing cheap black labor to provide the foundations of white-minority economic and political power. But these same critics often feel obliged to swallow hard and accept the economic benefits of doing business with the South Africans. As for Zaire, it merely said it could strike better deals on its own.

More importantly, as industry analysts see it, a consortium in western Australia, which was under pressure not to deal with De Beers, had begun to develop an enormous mine. The area has some gem-quality deposits and may be producing 15 percent of the world's diamonds by 1986, posing a serious threat to De Beers's monopoly.

But last autumn, as American interest rates fell, the tide seemed to turn. Luxury items became more accessible, and the carrying costs of De Beers's stockpile also dropped. The rebound on Wall Street and in other financial markets put money in the hands of potential purchasers. In September, De Beers raised prices and two months later, the companies developing the Australian mine gave the monopoly's Central Selling Organization sole access through 1990 to 95 percent of the gem-quality diamonds and to the vast majority of their industrial diamonds.

However, some analysts noted, unless world demand grows, the deal could be a two-edged sword — De Beers would have to add Australian diamonds to its costly stockpile, or risk a break in prices.

The situation in Zaire is somewhat murkier. Once Zaire announced its breakaway, De Beers delivered a none-too-subtle message to other producers that might have been considering the attractions of free competition.

"Almost immediately, we were approached by a dealer we know is associated with De Beers and offered a huge quantity of the kind of diamonds Zaire produces," said Pinchas Rothem, a London diamond merchant. He is a director of Industrial Diamond Company, one of three companies Zaire selected to sell its output.

In a matter of months, De Beers had forced prices of low-quality industrial diamonds down from about $3 a carat to $1.75. Zaire's earnings declined, even though it was saving millions of dollars in handling fees and other De Beers charges.

Zaire has continued to go it alone as far as its major mines are concerned, but last month, in a move that intrigued London analysts, it quietly licensed a DeBeers-controlled company as one of several to buy diamonds from its Tchikapa area.

Experts said the action was intended to cut down on diamonds being smuggled out of the country from areas where surface mines predominate and supervision of miners is difficult. In Zaire and other mining countries such as Sierra Leone and Guinea, up to half of total diamond production has been estimated to be crossing the borders illicitly.

David Fitzpatrick, an analyst in London with Merrill Lynch, Pierce Fenner & Smith, pointed to another attraction that Zaire might see in renewing ties with the monopoly. "It's important to remember that all of the western African nations need friends with money these days," he said. "A deal with De Beers's Central Selling Organization offers the kind of security that impresses bankers."

The Nation

Social Security Panel Comes Up With Something

"Nobody is enamored with this solution," James A. Baker 3d, the White House chief of staff, remarked last week. But, he noted, "a long and bitter fight in Congress would not have produced anything better."

And so Washington set about swallowing a bipartisan Presidential commission's prescription for keeping the Social Security system from foundering. The compromise plan, formally submitted to the White House by the National Commission on Social Security Reform, was quickly endorsed by influential public officials including President Reagan and House Speaker Thomas P. O'Neill Jr. The compromise, which the commission struck last weekend, would delay cost of living increases for retirees, increase taxes on employees and employers and tax half the benefits received by higher-income retirees.

The commission's handiwork wouldn't solve all of Social Security's woes. For one thing, the members couldn't agree on long-term financing. But the recommendations, if adopted by Congress, might return a politically volatile issue to a back burner for several years. The commission warned that without action, the system by 1989 would run up a deficit of between $150 billion and $200 billion; its proposals, the panel calculated, would provide about $169 billion in extra revenue.

The proposed changes won't get a free ride. Hearings, due to get under way early next month, are likely to go on for weeks. Conservative Republicans are expected to maintain that a proposal to give income tax credits for the higher Social Security taxes constitutes an unwise leap toward tapping the system into general revenues. Groups representing Government employees said they would oppose a provision that would require new Federal workers to be included in the system starting next January.

Death With A Vengeance

In 1967, two masked men fired sawed-off shotguns at Allen M. Dorfman and missed. Last week, in a hotel parking lot in one of Chicago's northern suburbs, Mr. Dorfman's luck ran out.

Nearly a month after being convicted of conspiring with teamsters' president Roy L. Williams and three other men to bribe a United States Senator, Mr. Dorfman, an insurance executive with longstanding ties to the teamsters union and to organized crime, was shot in the head five times at close range.

Mr. Dorfman was facing a stiff sentence; he was due to stand trial in Chicago and San Francisco on other charges. So there was immediate speculation that he was killed because the mob was afraid of what he might tell to stay out of prison. He was shot with a .22-caliber revolver, a weapon favored in recent years by organized crime's hit men. Mr. Dorfman was once a close associate of former teamster president James R. Hoffa, who himself disappeared outside a suburban Detroit restaurant in 1975 and, according to court papers filed by the Government, may well have been the victim of a mob execution.

"There's no doubt in my mind that Mr. Dorfman was killed to keep him quiet," said Patrick Healy, the Chicago Crime Commission's executive director. "A lot of people will sleep better tonight knowing that Dorfman is silenced." But a Dorfman defense attorney maintained that his client — described by the presiding judge in the bribery conspiracy trial as a "ruthless person who regards deceits and manipulations as achievements and boasts of them" — was an innocent man who had only been interested in clearing his good name.

Forty agents of the Federal Bureau of Investigation were assigned to help local police investigators and a nationwide alert was issued for two unnamed male suspects.

Policing The Police

Several big cities have in recent years reined in the intelligence-gathering squads of their police departments. But the Los Angeles Police Department's Public Disorder Intelligence Division has been something of a throwback. Established in the 1920's to scavenge for subversion, the unit, a growing chorus of critics says, has turned to spying on city officials and on lawful citizens organizations.

The City Police Commission voted unanimously last week to disband the division. Some skeptics asserted that the potential for abuse would remain; the largely autonomous department has had a way of sidestepping the largely powerless commission. Police Chief Daryl F. Gates didn't allay many of those fears when he noted that intelligence-gathering "will never be as pristine as some would like it — there is absolutely no way we cannot occasionally trample on some people's privacy and freedom." The unit is the target of separate investigations by a grand jury, the district attorney's office and the Police Department's internal affairs division. The American Civil Liberties Union, acting on behalf of more than 100 individuals and 23 groups, is seeking unspecified monetary damages and a court order restricting police spying.



Associated Press
George C. Wallace arriving at his inauguration last week.

George Wallace Picks Up on a Different Note

GEORGE C. WALLACE last week became the first man to be sworn in for a fourth term as Governor of Alabama, but stranger things have happened. One of them was that Mr. Wallace won with surprisingly strong support from black voters.

Just how much Mr. Wallace has changed the way he talks since his first inauguration 20 years ago, when he vowed Alabama would have "segregation forever," was apparent last week. He called on Alabamians to "turn to one another and not against one another." He also appointed two blacks to his Cabinet and supported the appointment of four others to committee chairmanships in the State House of Representatives.

Such rewards were not surprising. Black voters had helped Mr. Walllace beat back the strong opposition of moderate Lieut. Gov. George McMillan in the Democratic primary. Mr. McMillan, endorsed by urban black leaders, calculated that he could win by holding Mr. Wallace to no more than 10 percent of the black vote.

But among rural blacks, Mr. Wallace's populist pronouncements, purged of racial rhetoric, helped win him a measure of forgiveness that translated into about 35 percent of the vote. Against a right-wing conservative in the general election, he got more than 90 percent of the black vote. Mr. Wallace faces perhaps his toughest term as governor — Alabama has historically been dependent on steel, automobiles and other basic industries that have been hardest hit by the recession — but some other new governors were also looking at hard times.

In California, Republican George Deukmejian grappled with a budget that exceeded anticipated revenues by $1.5 billion and unemployment which, at 11.1 percent, was above the national average. As Merrill Lynch and Standard & Poor's announced that they were lowering the state's credit rating, one state official proposed a belt-tightening measure that drew howls from residents of the Golden State. He suggested issuing guaranteed "warrants" — I.O.U.'s — instead of state income tax refund checks this year.

In West Virginia, where Gov. John D. Rockefeller 4th had called for major reductions in state spending to avert a $91 million deficit in the current fiscal year, his wife Sharon announced that the household budget for the Governor's mansion would not be exempt. The full-time staff would be cut from seven to four, she said, and shrimp would no longer be served at receptions.

Things were somewhat happier in Texas. Gov. Mark White and a crowd of jubilant supporters reclaimed the Governor's mansion for the Democrats, who had held it more than a century before William Clements took it four years ago.

Caroline Rand Herron, Michael Wright and Carlyle C. Douglas

Democrats' First Presidential Popularity Contest Was Held in California Last Week

Favorites and Hopefuls as They Go to the Post

By ADAM CLYMER

SACRAMENTO, Calif. — Advance men with walkie-talkies, maneuverings over how to conduct a straw poll, and even serious speeches on national problems were the ways the Democrats chose to demonstrate that their 1984 Presidential contest is on, even before a single would-be President has formally declared his candidacy.

The Democratic State Convention was the first of this year's political cattle shows, one from which former Vice President Walter F. Mondale and Senators Alan Cranston and Dale Bumpers emerged with their chances a little enhanced. But Presidential politics at this stage is incremental, and nothing decisive emerged from the meeting except proof that the Democrats' proclaimed efforts to shorten the Presidential campaign had failed.

Before spring there may be eight announcments. But the first such scheduled, by Mr. Cranston on Feb. 2, will set no records for an early proclamation of ambition. Representative Philip M. Crane of Illinois opened his bid for the 1980 Republican nomination in August 1978, and before Christmas of 1974 both Jimmy Carter and Morris K. Udall had said they were candidates for 1976.

But some things are new, especially the pack of candidates more or less now poised to run. They have staffs, headquarters and fund-raising schedules even more important to their chances than their speaking calendars. This activity, and the competition for the talents of a relatively small pool of proven campaign technicians, means that it is almost too late even now to start from scratch.

For all of the would-be's except Mr. Mondale and Senator John H. Glenn of Ohio, there is a traditional reason for an early start. Being largely unknown nationally means that Mr. Cranston, Mr. Bumpers, Senators Gary Hart of Colorado and Ernest F. Hollings of South Carolina, and former Gov. Reubin Askew of Florida need every week they can have to overcome political obscurity.

But the need to raise money and build a staff, and to get ready for the effort by the A.F.L.-C.I.O. to endorse a candidate in December, means that all in this group, along with Mr. Mondale and Mr. Glenn as well, simply cannot let any competitor get a jump on them.

For the Republicans, it's a different story. For Mr. Reagan, just being President is the best campaign he can have. For his potential successors, a little discreet positioning is about all that can be safely attempted until Mr. Reagan announces his decision. Senate majority leader Howard H. Baker Jr. took a clear step to make himself available last week when he said he would not seek reelection to the Senate in 1984; he feels candidates with no other jobs to tie them down do best.

Among the Democrats, the campaigns of the former Vice President and the former astronaut have distinct advantages. Mr. Mondale, more than most of his rivals, seems comfortable not only with his own political pitch but also with his audiences. In a speech here last weekend and in Philadelphia at the mini-convention last summer, he put aside a reputation as a flat speaker. He has an experienced staff that seems to work well together, and there appears to be direction to his campaign.

Glenn Draws Crowds

The Glenn campaign has the only genuine drawing card in the Democratic ranks since Senator Edward M. Kennedy declined to run. Ordinary folks crowd around to meet an authentic hero. His campaign's finance, press and scheduling operations seem in good hands. But despite the presence of Robert Keefe, a Democratic campaign veteran, as a sort of faculty adviser, it lacks political direction, in the opinion of observers.

The next two campaigns in order of vitality are those of Mr. Hart and Mr. Cranston. Mr. Hart, who ran George McGovern's 1972 campaign, seems to have as solid an understanding of the demands of the process as any of his competitors. His organization is best in small states early in the likely primary calendar, the kind of states where an unknown can make a political mark. The Cranston campaign acknowledges that its problem is getting taken seriously, despite proven fund-raising capacity and Mr. Cranston's status as an experienced Senator. He is betting on the nuclear freeze issue. It disappointed its advocates last fall by failing to win many votes but could have much more impact in a Presidential contest.

Mr. Cranston's age, 68, is cited as a problem by some, but perhaps his biggest difficulty is that the kind of support he showed here in the straw poll, getting 59 percent of the votes, is dismissed even by some supporters.

Mr. Askew and Mr. Hollings have made less impact than the others. Mr. Hollings argues for budgetary caution from his party and Mr. Askew warns against protectionism. But it is not enough for them to go against the party's current, no matter how thoughtful the case. Without money, staff and the candidate's own intensity no set of ideas has much of a chance, and neither of them has made an impression in those other fields.

At this stage, no successes assure victory. Mr. Hart's success in signing up Chris Brown to look after New Hampshire, where he managed Mr. Carter's victories in 1976 and 1980, impresses politicians and reporters, but nobody else. Mr. Glenn's seemingly offhand interest in voluntary Social Security and a tougher posture toward Israel dismay only the same small audience. And like their rivals, each of them is likely to offset mistakes with successes and vice versa before the voters begin to care.

Watt Would Consolidate Changes in the 98th Congress

Nearing Complete Renovation Of Interior Department Rules

By PHILIP SHABECOFF

WASHINGTON — While Interior Secretary James G. Watt continues to make waves — and enjoy it — with his provocative public statements, his major activity this year and next is likely to be a quiet, behind-the-scenes drive to institutionalize his effort to reverse the direction of Federal land and resource policies.

Mr. Watt seems to have a perpetual lease on the limelight. Last week he again elicited cries of protest with statements in published interviews. In one he called American Indian reservations "an example of failed socialism." In another he charged that the real objective of the environmental organizations was "centralized planning and control" of the kind practiced in Nazi Germany and Communist Russia.

But his agenda for the next two years, if he remains that long, is not very flamboyant. It largely involves the kind of painstaking structural, strategic and personnel changes that will lock in the sweeping departures he has already made in the ways that the Department of the Interior operates. These changes, as he describes them, are intended toward a more "balanced program" that puts more weight on the development of public lands and resources and less on conservation. Environmentalists say his program is to give away public treasures to industry.

In a report sent this month to President Reagan on his agency's activities in 1982, Mr. Watt said that 1982 had been "a year of progress," just as 1981, his first year in office, had been "a year of change." In an interview last week, he said that he intends 1983 to be "a year of stability" in which he undertakes no major policy initiatives.

To a degree, this agenda is simply his bow to reality. He seems now to have gone about as far as he can in reversing the direction of Federal land and resource policies. For one thing, the 98th Congress is likely to dig in its heels even more than its predecessor against additional efforts to speed up the transfer of public land and resources to private interests. Although the overall makeup of the Congress changed only slightly, the membership of Congressional committees involved in environmental issues, such as the House Interior Committee, probably will be a bit more favorable to conservationist positions.

Political considerations generally can be expected to impose constraints on Mr. Watt's freedom of action as the 1984 election grows closer. This does not mean Mr. Watt's clashes with Congress are a thing of the past. Environmentalists are likely to go on the offensive and seek legislation requiring greater protection of public lands and resources. John F. Seiberling, chairman of the House Interior Committee's public lands and national parks subcommittee, is planning to review a variety of new legislation, much of which Mr. Watt is likely to oppose, including a bill providing new protections to national parks and another that would firmly shut the door on future development in Federal wildernesses.

Legal action by environmental groups to block Mr. Watt's sweeping initiatives is growing rapidly. But environmentalists and others who oppose Mr. Watt can take only modest comfort from these obstacles faced by the Interior Secretary, for most of his major policies have already been set in place. Although some of his programs have been defeated on Capitol Hill, Congress has given him most of what he wants in the budget. "One of the charges that has been leveled at me repeatedly," Mr. Watt noted last week, "is that Watt is going to use the budgetary process to change policy and priorities."

"That's true," he said coolly. "When the votes come on the budget, we've won the issues. That's where I've put my attention in changing the policy. That's how I've changed the priorities of the Department of Interior, by shifting the allocation of manpower and dollars."

Convinced that he has turned the agency in his direction, Mr. Watt is now taking steps aimed at keeping his policies in effect after he leaves. He will now, he said, devote a lot of energy to recruiting and promoting career civil servants within the department. He has already started a program to move senior civil servants around to help assure that his goals are being achieved. "I will build an institutional memory that will be here for decades," he said, adding that he was seeing to it that his policies were being codified through not only the rewriting of regulations but his department's operating manuals and directives.

There is some question as to whether Mr. Watt will be around for the remaining two years of this Administration to complete his revolution. He said he expects to remain at least that long. However, there is talk that he is increasingly being regarded as a political liability, for his provocative style as well as his policies.



Black Star/Dennis Brack
James G. Watt

Michael McCloskey, executive director of the Sierra Club, said last week, "Only James Watt could fail to see the difference between Hermann Goering and John Muir," the 19th-century naturalist who founded the environmental group. (Reactions to Mr. Watt aren't always predictable. "For the first time inknown history," said Ron Andrade, executive director of the National Congress of American Indians, "an official of the Government has admitted that problems on the reservation are the Government's fault.")

Meantime, as the President changes policies on taxes, the budget and military spending, he is being increasingly criticized by the right wing of his party. Mr. Watt, who is highly popular among conservative Republicans, may be needed as the cabinet member who can protect the President's right flank.

Secretary's Wins and Losses

IN his first two years in office, James G. Watt probably proposed as many significant changes in the Federal government's land and resource policies as any Interior Secretary in history. Here are some of his proposals and their fate:

Offshore oil leasing. Mr. Watt promulgated a plan that would offer a billion offshore acres embracing virtually the entire Outer Continental Shelf for leasing to the oil and gas industry over the next five years. The number of acres leased is climbing swiftly. Over the past two years, the Interior Department has offered 33.2 million offshore acres and leased about 3 million acres. However, Congress and the courts have blocked or cut back several lease sales, particularly in environmentally sensitive areas of California.

Coal leasing. He increased the pace of leasing coal on Federal land, including the biggest single lease sale in history — involving some 16,500 acres in the Powder River Basin of Montana and Wyoming. Efforts by environmentalists and others to slow the pace of coal leasing, on the ground that outstanding Federal leases would produce a 200-year supply at the current rate of extraction, have failed.

Office of Surface Mining. In the face of intense opposition, he reorganized the unit that regulates strip mining, giving the states more control over where strip mining may or may not take place. He pushed through sweeping changes in rules protecting the environment from strip mining.

National parks. Mr. Watt sought to eliminate spending to acquire new national parks, saying the park system had grown too rapidly and available Federal funds should be spent on repairing deteriorating park resources such as roads and hotels. Congress, however, reappropriated money for park acquistion, although less than originally scheduled. Mr. Watt says it was a compromise.

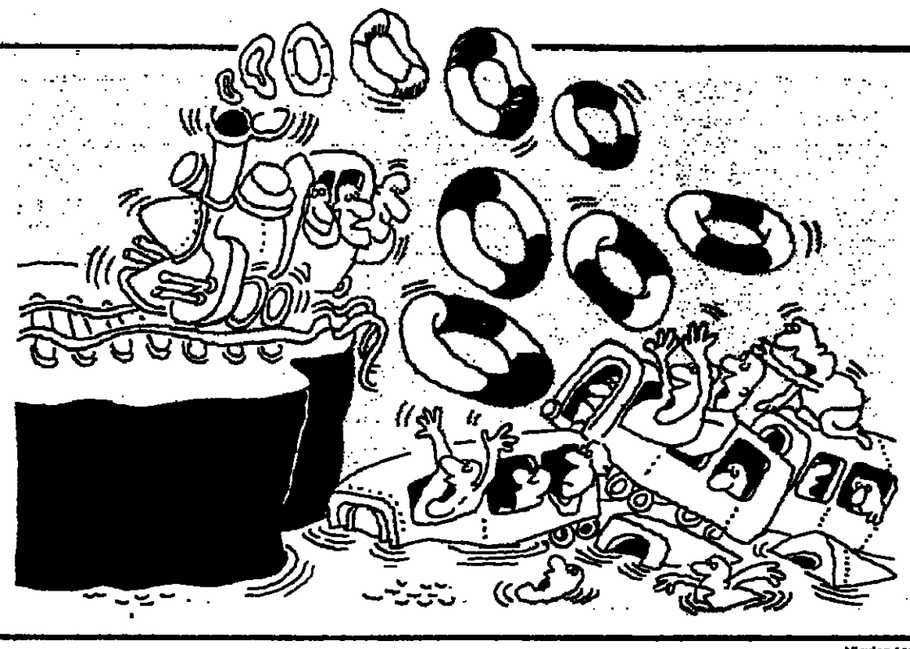
Wilderness. Mr. Watt said that the Federal Wilderness Preservation Act of 1964 required him to process applications for oil and gas leasing in Federal wilderness areas until Dec. 31, 1983. There are now 80 million acres of Federal wilderness and around 40 million more acres of Federal land is being protected as possible future additions to the wilderness system. He also proposed legislation that would have Congress consider whether to open wilderness areas for development in another 17 years. Congress blocked the leasing process and gave short shrift to Mr. Watt's wilderness proposal. He has now said he will issue no further leases for development of wilderness areas or proposed wilderness areas.

Sluggish Growth Ahead For the West

Growth of Real Domestic Product

	ANNUAL AVERAGE '70 to '80	1983 EST.	1984 (1st half) EST.
Britain	1.9%	1.0%	1.5%
Canada	4.1	1.25	3.25
France	3.6	0.5	1.5
Italy	3.1	0.26	1.5
Japan*	4.8	3.5	4.0
United States*	2.9	2.0	3.5
West Germany*	2.8	-0.25	2.0
Total O.E.C.D. nations	3.2	1.5	2.75

*Gross National Product
Source: Organization For Economic Cooperation and Development



Nicolas Asch

Industrial Nations Seeking Ways to Grow

By PAUL LEWIS

PARIS

WHEN Beryl Sprinkel, the Under Secretary of the Treasury of the United States, urged industrial nations toward "credible economic expansion" at a meeting of finance ministers in Paris last week, European financial leaders thought the economist was signaling a change in the Reagan Administration's fiscal policies, from a preoccupation with inflation to a drive for growth.

That interpretation was short-lived. In Washington, Martin S. Feldstein, chairman of the President's Council of Economic Advisers, quickly responded: "I don't believe there is any basis for believing that there has been any change in current Administration policy." And Marc E. Leland, Assistant Secretary of the Treasury for International Affairs, under orders from a reportedly outraged boss, Treasury Secretary Donald T. Regan, said Mr. Sprinkel was "speaking for himself."

That spat remains to be resolved. Nonetheless, the Europeans are clearly rooting for the United States to demonstrate a greater concern for the financial strains that the industrial world's long-lived recession has caused and the potential for the recession to escalate into a depression.

The Europeans cheered in late summer, when Paul A. Volcker, chairman of the Federal Reserve Board, seemed to shift Fed policy onto a more stimulative course. And they have watched eagerly as the Reagan Administration has wrestled to prepare an economic game plan for 1983 that would insure a quick and lasting recovery for the weak United States economy.

The Europeans themselves are groping for a strategy that will bring their major industrial economies that same result: growth, without the risk of another virulent bout of inflation. Several countries have already begun to walk this course; Sweden and Austria, for instance, have carefully aimed discretionary public spending at boosting investment, rather than at increasing personal consumption, while Belgium, Denmark, Finland, France, Italy and Sweden have all either introduced wage and price freezes or refused to raise wages automatically in line with inflation.

Last week, the ministers of the so-called Group of 10, the 10 wealthiest Western countries, and Switzerland, asked the International Monetary Fund and the Organization for Economic Cooperation and Development to develop by late spring proposals for economic growth that would not reignite inflation.

THE O.E.C.D., an organization of 24 industrial nations, will make its recommendations when its ministers meet in Paris in May, the I.M.F. when its ministers gather in Washington in June. The Europeans are convinced — and they hope the United States is, too — that the fight against inflation has gone far enough, indeed, too far, and that the dangers posed by international debt and a stagnant world economy now far outweigh the dangers of inflation. "Is there an increasing asymmetry of risk? That is the question," said Silvia Ostry, one of the architects of the O.E.C.D.'s economic policies.

The Europeans' hunt for a growth policy is a variation on an old theme — the "locomotive" strategy of 1977 and 1978, in which the three most successful Western industrial nations — the United States, West Germany and Japan — were expected to push or pull weaker nations into prosperity by expanding rapidly themselves. Their growth would generate demand for exports in less prosperous nations throughout the world, leading eventually to a chain reaction of growth around the globe. That strategy, which rested on the Keynesian theory that a large fiscal stimulus should be applied to the whole economy, was proposed by a panel of economists headed by Paul McCracken, the chairman of the Council of Economic Advisers under former President Richard M. Nixon. But the locomotive stalled on rising oil prices and was sidetracked completely by the dollar crisis of 1979.

Now, the O.E.C.D. is casting about for a more sophisticated approach, under which any stimulus would be carefully channeled into noninflationary areas and would be combined with other measures designed or intended to make economies function more efficiently — and with less inflation — as they move toward full employment.

The view in Europe is that the choice is simple, and inexorable. Either those countries that have gotten a grip on inflation — and now have what the Europeans call a "margin of maneuverability" — address the international debt crisis, and finance a gradual adjustment to create a larger market for exports, so that third-world countries can export and import more, or they rely on a "marketplace adjustment," which the Europeans fear could be jolting. In a marketplace adjustment, this view holds, private banks would cease to lend, the poorer nations would be forced to reduce or eliminate imports and a depression would ensue. Economists see Poland and other East European countries, which have canceled many orders with the West, as examples of what might happen to curtail world trade if the financial situation is not eased soon by a return to growth in the major industrial nations.

To the Europeans, there is no real choice. The only option for policy makers is growth. That was the message that came out of last week's meeting in Paris of finance ministers from the Group of 10, and Switzerland. It was the message the Europeans thought they heard from Washington through Mr. Sprinkel.

His remarks about third-world debt and recession anticipated the ministers' final communiqué, issued Tuesday, in which they acknowledged that faster growth is needed to expand world trade, and reduce debt problems and unemployment.

There is no point in giving the I.M.F. more money to finance a gradual reduction in third-world debts unless these countries can export and expand their earnings as well, economists have warned. Nonetheless, the finance ministers agreed to increase to $19 billion from $7.1 billion the amount of money their countries will make available to heavily indebted countries.

A Costly Merger for Occidental

By LESLIE WAYNE

LOS ANGELES

SIXTEEN stories above this city, in a penthouse office decorated with everything from a Rubens canvas to autographed pictures of virtually every world leader, Dr. Armand Hammer grinned with delight over Occidental Petroleum's $4 billion purchase of Cities Service. "It's a great acquisition," said Occidental's 85-year-old chairman. "I'm happy with it." And, taking aim at the seven major oil companies, he gleefully added: "It may be that there will be eight sisters instead of seven."

Some 1,400 miles away, the skyline of Tulsa, Okla., home of Cities, tells another story. Its downtown is dominated by the unfinished skelton of the new Cities headquarters. Sold to raise money, the shell stands eerily silent. Résumés from Cities' 15,000 employees flood the oil industry and uncertainty over Cities — the only major corporation with headquarters in Tulsa — casts a pall over the local economy.

That uncertainty hovers over Occidental as well — despite Dr. Hammer's enthusiasm. The acquisition that promises to give Occidental much-needed domestic oil reserves comes at a hefty price. To pay for it, Occidental must raise nearly $2.7 billion in cash this year and reduce a debt burden that threatens earnings.

In a frantic effort to raise cash, major assets of both companies are being peeled away and put up for sale. Employees have been let go, capital spending has been slashed and it is unclear just what Occidental will look like in the years to come. Indeed, the awesome amount of debt calls into question the Cities purchase — one of the biggest and most celebrated takeovers of 1982.

"They've got to cinch their belts another notch," said T. Boone Pickens Jr., chairman of Mesa Petroleum, which once sought Cities. "What's hurt the deal is the price of crude. They didn't anticipate a downturn. Now they're in a temporary tight spot."

Steering Occidental through this squeeze are Dr. Hammer, A. Robert Abboud, president, and David H. Murdock, an Occidental board member. It's an unusual trio: Dr. Hammer, a cunning deal maker who guides Occidental while globe-hopping with foreign leaders; Mr. Abboud, whose reputation for brusqueness is equaled by his facility with figures, and Mr. Murdock, said to be a millionaire 400 times over and, as Occidental's largest shareholder, a presence felt but rarely seen.

The three are guiding Occidental into the promised land of domestic oil production — Occidental has long been criticized for its dependence on the North Sea, Libya and Peru. While analysts hail this as a wise strategic move, the journey is daunting. Occidental has not been earning enough to cover its own $240 million annual common stock dividend, let alone the new debt from the Cities acquisition.

"I don't argue with their wanting Cities Service," said one analyst who asked not to be named. "But everyone in the investing community is wondering: Can they swallow it?"

And that is a daily headache at Occidental. In 1983, borrowings for Cities are estimated to cost Occidental more than $400 million — some $100 million in interest payments to banks, $236.5 million in dividend payments on preferred stock and $72 million in accrued interest on zero coupon notes. Occidental financed the acquisition with $1.9 billion in bank borrowings, $1.6 billion in preferred shares and notes valued at $533 million.

These debt payments come as earnings at both companies have been squeezed by falling oil prices and an oversupply of crude that has worsened as the oil-producing nations refuse to limit production. Occidental says it will report a profit for 1982, but that it will only break even at best in the fourth quarter, and some analysts calculate that, operationally, Occidental lost money in the third quarter.

"There's a panic at Oxy to retire some of that debt," said Rosario S. Ilacqua, an analyst with L.F. Rothschild, Unterberg, Towbin. "That and the interest costs are killing them."

To reduce these costs, Occidental announced last Friday it had raised $1 billion and was using this to pay down its bank loans. The previous week, it spent another $72 million to repurchase some zero coupon notes and preferred shares. The bulk of this cash came from the sale of Occidental and Cities assets — coal properties, a gas pipeline company, copper reserves and mineral acreage. Yet Occidental is in the tight spot of trying to sell natural resource assets at a time when buyers are few and far between.

"There's no question but in the short range, the interest costs obviously will hurt income and be a substantial drag," Mr. Murdock said. "Any time you sell assets in a down economy, you can't get as much as in an up economy. But I think we bought Cities at a price below what it is worth. Everything is relative."

Occidental's predicament is hardly causing a tear to swell in the world of oil, where Occidental, with its controversial history and flamboyant chairman, is seen as a maverick.

"There are not many tears shed for Oxy when it has problems," said Robert Stobaugh, director of the Harvard Business School energy project and author of "Energy Future." Much of this stems from Occidental's dealings with the Libyans. Occidental has been blamed by the major oil companies for their loss of power to the oil producing nations after Dr. Hammer broke with the majors in 1969 and negotiated separate concessions from the Libyan Government.

Occidental Petroleum is clearly unlike any other oil company. It was handcrafted by Dr. Hammer, who turned eight nearly depleted oil wells into an international conglomerate with annual sales of $15 billion. An art collector and philanthropist, he is perhaps best known for his unorthodox business dealings with the Soviet Union, stretching as far back as Lenin, who Dr. Hammer knew.

Selling Assets to Raise Cash

OCCIDENTAL ASSETS SOLD

Feb. 1, 1982. An agreement in principle reached to sell Occidental Minerals to Nerco Inc. of Portland, Ore.

Dec. 31, 1982. Best Products, a fertilizer concern, sold to the J. R. Simplot Company, of Boise, Idaho.

Jan. 3, 1983. Zoecon Corp. sold to Sandoz U.S. Ltd.

Jan. 20, 1983. A chemical joint venture with ENI, the Italian state energy group, terminated. This raised $176 million cash, but resulted in an $85 million write off in the 1982 fourth quarter.

CITIES SERVICE ASSETS SOLD

Sept. 23, 1982. Industrial chemical division, which mines copper, zinc and other industrial chemicals, sold to Tennessee Chemical.

Nov. 13, 1982. Cities Service Gas Company sold to Northwest Energy Company, of Salt Lake City, for $335 million in cash and a transfer of $145 million in debt.

Nov. 16, 1982. Fesco plastics and film division sold to GDI Newco, of Chester, N.Y.

Nov. 24, 1982. Tulsa office tower sold to the Boulder Development Corporation.

Nov. 29, 1982. Three supertankers sold to Ceres Hellenic Shipping.

Dec. 3, 1982. Miami Copper sold to Newmont Mining for $75 million in cash.

Dec. 3, 1982. Wyoming Dry Fork coal properties sold to Phillips Petroleum.

Jan. 6, 1983. Texaco-Cities Service Pipeline joint venture sold a 12-inch oil pipeline, running from Oklahoma to Chicago, to the Williams Pipe Line Company, of Tulsa, Okla.

The Economy

WEEK IN BUSINESS

Tax-change proposals are expected to be part of President Reagan's State of the Union message Tuesday. The President said last week that he was considering modified flat-rate plans to simplify the income tax. Martin S. Feldstein, his economic adviser, discussed another option — a tax on consumption but not on savings.

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A deficit of $185 billion is likely in the fiscal 1984 budget that President Reagan is scheduled to announce Jan. 31, according to Congressional and Administration sources. The budget message may include a plan for standby tax increases to hold down deficits later in the decade.

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OPEC ministers are scheduled to sit down today in Geneva in a new attempt to curb production. Last week there were conflicting reports on whether the deeply divided cartel could agree on an enforceable accord. World oil surpluses threaten a collapse in oil prices that the 13 OPEC nations and many in the West, fearing economic consequences, hope to avert.

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The panel on Social Security in its final report urged Congress not to alter the program's basic structure. The bipartisan panel has recommended a bailout package of higher taxes, curbing of benefit growth and cash infusions.

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Consumer prices posted the smallest gain in a decade last year. The price index rose 3.9 percent in 1982, and in December it actually fell by three-tenths of a percent.

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Durable goods orders climbed a record 12 percent last month from November. Much of the gain came from military spending. Analysts saw the report as a strong sign that the recession was ending.

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Aluminum makers posted losses in the fourth quarter. Alcoa's deficit was $33.7 million, Reynolds lost $19.8 million and Alcan $60 million. Other deficits were posted by Caterpillar Tractor, $204 million, Republic Steel, $60.6 million, Inland Steel, $31.5 million, and Georgia Pacific $99 million.

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Steel companies raised prices, in the face of depressed demand. Eight companies announced increases averaging 6 percent.

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The money supply grew $6.9 billion — more than expected — in the latest reporting week, the Federal Reserve said. Short- and long-term interest rates rose sharply Friday.

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Recession statistics: Housing starts plunged 2.2 percent last year to 1.061 million units, the fewest since 1946. In December, starts fell 13 percent from the same period a year ago. Personal income rose 6.4 percent in 1982, the slowest growth since 1963, and nine-tenths of a percent in December. Factories operated at 69.8 percent of capacity last year, the lowest rate in 30 years. December's capacity was 67.3 percent.

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Citicorp's operating profit fell 12.4 percent in the fourth quarter, compared with the same period a year ago. Others reporting declines were BankAmerica, down 13.2 percent, Chase Manhattan, 29.9 percent, and Continental Illinois, 43.3 percent. Manufacturers Hanover's profits rose 20 percent and Bankers Trust's less than 1 percent.

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General Electric's net rose 16 percent, while Westinghouse's fell 2.2 percent in the fourth quarter. Some gainers: International Business Machines, up 28.2 percent; Penn Central 23.2 percent; Pfizer 21.9 percent; American Home Products 12.7 percent, and Rockwell International 13.6 percent. On the down side: RCA, off 6.6 percent; Honeywell, 14.7 percent; Norton Simon 43.4 percent, and Boise Cascade 79.6 percent.

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The stock market fell sharply at week's end, with the Dow Jones industrial average losing 17.84 points on Friday. Investors apparently feared a new climb in interest rates. The Dow lost 27.87 points on the week, closing at 1052.98.

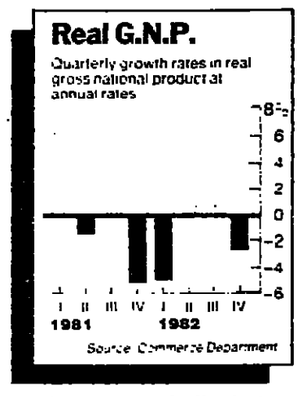
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Apple Computer introduced Lisa, its new personal computer that uses pictures and symbols in an attempt to simplify complex computer commands. One potential drawback: a $10,000 price tag.

Daniel F. Cuff

Real G.N.P.

Quarterly growth rates in real gross national product at annual rates



Source: Commerce Department

The economy declined at a rate of 1.8 percent in 1982, the worst showing in 36 years. Fourth quarter G.N.P. contracted 2.5 percent at an annual rate.

Japan's Prime Minister Yasuhiro Nakasone, (right) who was in Washington last week, said he got an earful of complaints and protests on trade at the White House and Capitol Hill. That gave him a deeper understanding, he said, of how upset Americans are about barriers to sales of United States goods in Japan. President Reagan cautioned that Japanese trade curbs "continue to weigh heavily on our relationship." China and the United States, meanwhile, were having their own trade battle. Peking ended purchases of cotton, soybeans and synthetic fibers in response to restraints imposed on Chinese textile imports.



Associated Press

The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED JANUARY 21, 1983
(Consolidated)

Company	Sales	Last	Net Chng
ATT	6,196,200	67¼	+ ¼
IBM	5,541,300	94⅝	- 4½
Exxon	5,148,900	30¾	+ ⅛
RalsPur	4,533,900	19¾	+ 2
Mobil	3,231,000	27⅛	+ 1⅛
Citicrp	3,131,900	34½	- ⅜
Schlmb	3,007,600	50¼	+ ⅝
SuprOil	2,870,700	32½	+ 2⅜
AtlRich	2,676,300	47⅛	+ 2⅛
EsKod	2,667,100	82⅝	+ 1⅛
AMR Cp	2,613,200	19⅜	- 2⅝
BankAm	2,610,200	20	- 1
StOilInd	2,546,100	44⅞	+ 1
Gen Mot	2,516,900	58⅞	- 4⅞
GtWFin	2,494,500	20	- 5¼

MARKET DIARY	Last Week	Prev. Week
Advances	829	1,386
Declines	1,144	624
Total Issues	2,174	2,184
New Highs	454	493
New Lows	5	3

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	408,436,190	1,368,687,250
Same Per. 1982	231,855,800	690,193,642

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				
Indust	97.91	95.10	95.23	-1.76
Transp	78.42	74.68	74.75	-2.91
Utils	46.57	45.99	46.09	+0.07
Finance	88.28	84.42	84.50	-3.59
Composite	85.38	82.88	83.18	-1.49

Standard & Poor's

400 Indust	167.3	160.1	161.7	-2.90
20 Transp	26.1	24.4	24.6	-0.90
40 Utils	63.0	61.8	62.2	-0.07
40 Financial	17.1	15.9	16.1	-0.92
500 Stocks	148.9	142.4	143.8	-2.80

Dow Jones

30 Indust	1098.6	1045.1	1052.9	-27.87
20 Transp	478.1	444.6	448.7	-18.90
15 Utils	126.3	123.2	125.0	+ 0.42
65 Comb	431.5	410.0	413.2	-11.10

The American Stock Exchange

MOST ACTIVE STOCKS
(Consolidated)

Company	Sales	Last	Net Chng
Marmdq	2,463,600	⅞	+ ⅛
Wang B	2,307,800	32¼	- 1⅛
DomeP	1,907,500	11/16	+ ⅛
InstSy	1,344,000	3⅛	½
NtPatnt	885,200	14¼	+ ⅝
MtchIE	776,100	20⅝	+ 1⅜
GldFld	703,500	2¼	- ⅜
VisaE	578,200	7/16	...
BeefCh	562,300	6⅝	- ⅜
CentSe	509,400	11⅜	+ ⅜

MARKET DIARY	Last Week	Prev. Week
Advances	416	528
Declines	378	287
Total Issues	920	927
New Highs	184	173
New Lows	1	4

VOLUME (4 P.M. New York Close)	Last Week	Year To Date
Total Sales	43,082,750	143,498,685
Same Per. 1982	22,494,485	64,529,265

The New York Times

Founded in 1851

ADOLPH S OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVIL E DRYFOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher

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Yes, Welcome the Deficit

People ask, why the turnabout? Last year we wanted taxes raised to reduce the Federal deficit; now we're almost eager to hold the deficit high. Just so.

Eight months ago, this page, in the company of many economists and with the dawning consent of President Reagan, supported higher taxes in a vain effort to hold the 1983 deficit below $100 billion. Unemployment then was 9.5 percent, interest rates hovered around 12 percent but recovery was held to be imminent. A 12-digit deficit in a fiscal year not yet begun, we figured, would rekindle inflation and choke investment.

Yet the recovery has still not convincingly begun. And as the tax we favored takes effect, the 1983 deficit is headed for $180 billion while 1984's may exceed $200 billion. With hindsight, we and a still-grudging President now recognize that the tax increase came too soon. Unemployment stands at 10.8 percent, interest at about 8.5 percent. In these unexpected circumstances, deficits are the least of our problem. Indeed, for the next year or more, they are a part of the solution.

Federal deficits, like medical drugs, are neither good nor bad, they are only wise or foolish depending on the patient's health. Deficits can represent profligate spending that sacrifices future prosperity for present joy, but they can also represent necessary borrowings to guarantee a future prosperity.

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For a healthy economy with little unemployment and fully utilized factories, big budget deficits can spell big trouble. At the least, they mean that Government is sopping up available credit and "crowding out" private borrowers who would use the funds to increase productive capacity. At worst, they force Government to compete for scarce labor and capital, fueling inflation by bidding up their cost.

Last summer, with most forecasters predicting an imminent upturn and 15 percent inflation still a fresh memory, a conservative fiscal policy seemed the prudent course. But the depth of the recession now argues for hedging our bets the other way.

This recession has endured so long and excess capacity is now so great (33 percent) that the 1 or 2 percent growth expected by the Reagan Administration will hardly make a dent. Even the more optimistic 3 or 4 percent growth in 1983 estimated by Morgan Guaranty would leave unemployment at 11.3 percent going into 1984.

To reduce unemployment to tolerable levels, the nation needs 5 percent growth over several years. In present circumstances, there is very little risk that the stimulation produced by a $200 billion deficit would bid up wages or prices. But it would generate much needed economic activity. To oversimplify: when private industry isn't priming the pump with investments, Government should.

The concern that Government borrowing will "crowd out" private borrowing is valid, but not compelling. Much depends on whether the Federal Reserve expands the total supply of credit. Even if the Fed held money tight, the deficit's effect on private investment may be less dramatic than is often supposed. About $80 billion of the $200 billion would be interest payments that go mostly to institutions and wealthy investors; they recycle the money into savings, meaning private investments. And Government would borrow much of the rest from funds now sitting idle in corporate checking accounts.

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Perhaps a better way to think about the deficit is to imagine what would happen if Government acted to reduce it too soon. Other things being equal, lower deficits do translate into lower interest rates. However, if Congress cut spending or raised taxes too quickly now, it would reduce total purchasing power, increasing unemployment and slowing recovery.

The worrisome deficits, therefore, are not those of this year or next, but those of 1986 and 1987, when the economy will have regained its health. Former Commerce Secretary Peterson and his bipartisan lobby are right to be anxious about the long run. As they point out, the present pump priming would be ill-advised if done in ways that commit the Government to unstoppable spending in the future. It's healthy stimulus, however, if designed to guard against depression now while not automatically running up the deficits beyond the horizon.

None of this justifies spending on programs that add little to national welfare or security. But for the immediate future, America's first priority has to be economic growth. Fiscal stimulation and the resulting deficits can only help.

Abortion at 10

Ten years after the Supreme Court's judgment to legalize abortion, the right of a woman to terminate her pregnancy is recognized by most Americans and still bitterly disputed by a minority. It now appears that, in 1973, the high court led rather than followed the election returns. The right-to-life movement failed last year to undo the decision in Congress and in attempts to punish supporting legislators at the polls.

Still, constitutional liberties are not supposed to depend on their popularity and a debate still rages over the ruling's legitimacy. Even some who favor the result harbor misgivings about the Court's use of judicial power. Looking back with an open mind, we find ourselves satisfied that the Court acted judiciously as well as courageously.

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The Court held in *Roe v. Wade* that abortion in the early stages of pregnancy is a decision to be made by the woman, in consultation with her doctor, not by government. It refused to recognize any constitutional right of personhood in the fetus. It did allow some limitation on abortion in the second trimester of pregnancy and quite severe limitation in the third. But the Court denied that it was thus choosing among rival theories of when life begins; it was only recognizing the growing *potential* of life.

The justices have been richly abused for this close but practical reasoning. Critics say they can't find the woman's right in the Constitution and complain that the judges were legislating, not interpreting the law. Justices White and Rehnquist, the two dissenters, said the majority exercised "raw judicial power."

But Justice Harry Blackmun persuasively found the woman's right in 14th Amendment concepts of personal liberty and privacy. And more Americans now understand what he meant in saying that the woman's rights are at stake because her pregnancy involves both her body and her burden. It taxes her physical and mental health; she usually must raise the child, often alone; she takes the brunt of a family's distress when it can't support a child or the stigma of unwed motherhood. What does liberty mean if society gives her no choice about bearing such burdens?

Justice Blackmun's delineation of the trimesters of pregnancy was no act of intellectual usurpation; it is a plausible summation of medical knowledge and allows an increasing government interest as the fetus comes to resemble a baby. It was a creative and also conciliatory legal rendering.

The right-to-life movement now seems in disarray; it acrimoniously upbraids its own leaders. No constitutional amendment forbidding abortion seems likely even though mean-spirited people persist each year in wanting to punish the poor by denying them government-financed abortion.

American law cannot reach the private or religiously derived philosophies of its citizens; no American is being forced to practice abortion. But when philosophy divides society so sharply, no law should impose one group's view on everyone else. In this sense, the abortion decision was not only fair, it was brilliantly American.

Topics

Rude Greetings

Let History Judge

Few Soviet voices are braver, or blunter, than Roy A. Medvedev's. He once wryly remarked, "If by some miracle, Marx, Engels and Lenin were to appear among us, most of the works they might write . . . would not be passed for publication." Though a Marxist, Mr. Medvedev has been able to publish his major works only in the West. But this outlet may now be sealed

For 20 years Mr. Medvedev has been left alone while writing such works as the landmark "Let History Judge." Now, though, he has been formally warned by the K.G.B. to shut up. To the official Soviet mind, any independent research is "anti-Government activity."

"The fact that we have not called you in for 20 years is a reflection of our great patience," officials told him. "But that patience is coming to an end . . . and it may run out in 1983."

Mr. Medvedev is known to have rooted for Yuri Andropov, the former intelligence chief, to be promoted to party leader. He predicted that Mr. Brezhnev's successor would be strict, "but intelligently so." Now that he has seen the new leadership at work, he concludes "without question that it is going to be strict, but still not intelligent." Plainly, it is not Roy Medvedev's reputation that history will be judging now.

■

Dear Mrs. SORT

We have no wish to be mean-spirited, Mrs. SORT. We applaud the Postal Service for running a surplus last year and, furthermore, you may share our impression that the mail seems to be moving faster. What we find annoying at the moment is much less important, but still annoying: mail that treats us like automatons.

One kind is letters that are written by computer but which try to fool you into thinking they are personal. You can tell them, Mrs. SORT, because they drop one's name into the text every now and then. Lately, there's been a new nuisance: computer letters that put *your* name on the envelope. Every day, more and more letters arrive addressed to you: CAR-RT SORT.

A fellow who knows about such things says that's not a name at all, only shorthand for Carrier-Route Sorted mail, a discount category for bulk mailers who pre-sort down to the level of the carrier. It can cost as little as 3.3 cents. That's fine for the bulk mailers and probably profitable for the Postal Service, too, but there's a disadvantage. When we see someone else's name on a letter, we always forward it. When we see your name, Mrs. SORT, we always throw it away.

Letters

Whither the American Social Security System?

To the Editor:

In a Jan. 18 editorial, The Times states that "many retired Americans look upon this idea [taxing half the benefits of pensioners who earn over $20,000 a year] as confiscation of hard-earned savings or as a form of double taxation. It is neither . . ."

Correct, it is neither, but it would be a violation of the word given by the Social Security Administration to such pensioners, who, while making final plans for their retirement, were advised not only what their benefit would be but also that it would not be taxable.

The Government probably erred in not originally making a portion of benefits stemming from the employer's contribution taxable (as is the case with private pensions), and this error should no doubt be corrected. But the correction ought to be a prospective one, for those not yet retired, who have some opportunity to adjust their plans by working an additional period or trying to put aside some additional resources. These remedies are not available to those already retired; for them the tax constitutes an unexpected reduction in the benefit they were told they could count on.

The liability for the Government, should current retirees not have their benefits taxed, would be substantial in the very short run, but no greater than it currently is. And thanks to the inexorable work of the Grim Reaper, it will be declining by the minute, until in a few short years it will be nil. Meanwhile, the Government will have kept its word. CARY POTTER

Chestnut Hill, Mass., Jan. 18, 1983

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To the Editor:

How ironic that in the same year that two-paycheck families will, for the first time, enjoy partial relief from the "marriage tax" on their 1982 income tax returns, the same unfair principle has been incorporated into the recommendations to shore up the Social Security system.

Working husbands and wives pay separate Social Security taxes during their working years, based on the full amount each earns. They are entitled to separate Social Security benefits, calculated on their individual employment records.

Yet the National Commission on Social Security has called for taxing half the benefits of Social Security recipients beyond certain income levels: $20,000 for a single person and $25,000 for a married couple.

This proposal again imposes a considerable penalty on the wedded state, and if it should pass, we can look forward to a new social phenomenon among the middle class: divorces of convenience just prior to filing for Social Security benefits.

SONYA F. KAUFER

New York, Jan. 18, 1983

To the Editor:

The contention in your Jan. 16 editorial "Lock the Social Security Exits" that mandatory universal coverage of all Civil Service employees is required if Social Security is to survive may be psychologically sound but has little fiscal basis.

The fiscal impact of universal coverage was delineated quite clearly in the study "Social Security — An Analysis of Its Problems," published in the autumn 1982 Quarterly Review of the Federal Reserve Board of New York.

Minor long-term savings to the system resulting from bringing Federal employees into the system would be realized primarily because of elimination of dual (Civil Service and Social Security) beneficiaries. Some near-term savings are realized because of the average age of the Federal workers coming into the system. It is not at all clear that this near-term saving would accrue from local and state workers staying in the system once their transitional effect has dissipated.

One key conclusion of this study is: "In the long term then, universal coverage leads to an increase in the number of beneficiaries who will ultimately take more out of the retirement system than they pay into it. This is precisely the effect expanding coverage in the 1950's had." It hardly seems the panacea your editorial suggests. EDWIN W. WHITFIELD

Great Neck, L.I., Jan. 17, 1983

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To the Editor:

Your Jan. 9 news article about defections from Social Security neglects to review the advantages this program has over alternative plans.

Social Security provides more than just retirement benefits. Important parts of the system are benefits for survivors, disability and health insurance.

The fact that benefits are tax-free and include built-in protection against inflation through automatic cost-of-living adjustments are added reasons for remaining enrolled in the system. And unlike private-sector pension plans, Social Security moves with the worker from job to job.

Your article also mentions that many of those who drop out will still be eligible for Social Security because they have already qualified for benefits. What it does not say is that they will receive lower benefits because of their shorter employment. Moreover, because of their lower contributions, the dropouts will require the rest of us to carry an unfair burden.

In the long run, dropping out of, or failing to enroll in, Social Security is not economically prudent, from an individual or a communal perspective.

FLORENCE GALKIN

Co-Chairman, Commission on Urban Affairs, American Jewish Congress

New York, Jan. 11, 1983

The First Word on What Killed Napoleon

To the Editor:

"Arsenic and Old Napoleon" (editorial Jan. 10) discusses the mysteries, controversies and mythology surrounding the death of Napoleon.

I have on hand the Columbian Centinel, a Boston newspaper dated "Saturday morning, August 25, 1821." Under the columns of "Latest Foreign News," brought by the ship Mount Vernon from Liverpool (London date July 7, 1821) is a long account of the "funeral of Buonaparte," an account "received [in] a private letter from an officer dated at St. Helena, May 14."

It describes Napoleon's funeral, includes a sketch of his coffin and funeral procession and details a lengthy "Physicians' Report," signed by five doctors (there was an autopsy):

". . . the body appeared very fat . . . the internal stomach was . . . a mass of cancerous disease . . . the stomach nearly filled with a large quantity of fluid resembling coffee grounds. . . ."

Extracted from another "private letter" dated St. Helena is the information that it was Napoleon's desire that "his body be opened"; further, that "the disease was . . . the same disorder of which his father died [and] the cancer was not produced by climate or depression of the mind." He would have died, said one observer, even "had he been in the midst of his glory at Austerlitz."

The letter also notes the shabbiness of his clothes: "Old coats, hats and



pantaloons, that a midshipman . . . would hardly condescend to wear."

The Centinel makes its own editorial comment: "The world goes on as it went before and in a few short days [Napoleon] will be forgotten."

JAMES MARTIN

Great Neck, L.I., Jan. 11, 1983

'Loophole to Be Won' For the Payers of Rent

To the Editor:

One reads again and again, most recently in Russell Baker's Jan. 15 column, that tax deductibility for interest paid on housing mortgages is a loophole that could be closed by adoption of a flat tax on income. It is true, under present law, home ownership does permit tax avoidance and is therefore unfair to those who rent. But Mr. Baker and others have their eyes focused on the wrong hole.

Interest paid on mortgages on rental or business property is a legitimate business expense that should be deductible in determining income for tax purposes, whether income taxes are graduated or flat. If you own a residence and rent it to someone else, the rent is gross income, and mortgage interest is a proper deduction.

Those who live in residences they own escape taxes not because mortgage interest is deductible but because implicit income is not taxed, for the rental value is not considered income for tax purposes.

The tax deduction for interest is not the loophole; it is the too-narrow definition of income. To close the relevant loophole, one would have to be required to declare as income for tax purposes the market value of the housing one owns and resides in.

To the extent that one has a mortgage on a residence, elimination of deductibility for interest paid would get at a part of the loophole for some in an indirect way. Middle-class Americans who could not own without mortgages would be taxed more heavily and placed to a greater extent in the situation now faced by renters.

But the wealthy would still escape, for they can own one, two or more residences without any mortgages simply by owning fewer stocks and bonds and reducing their dividend and interest incomes and, therefore, their taxes.

Since it seems highly improbable that the implicit income received by homeowners will ever become taxable, equity would be served by creating a compensatory loophole for those who rent: let rent be tax deductible.

Renters of the world unite! There's a loophole to be won.

ARNOLD COLLERY

Professor of Economics
Columbia University

New York, Jan. 16, 1983

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Falklanders' Freedom Needs No Disposition

To the Editor:

Can that most profound purveyor of the splendid fruits of the Bill of Rights, The New York Times, not look into the preying eyes of the totalitarian face and see it for what it is?

Your curious editorial of Jan. 14, "Saving Face on the Falklands," causes one to wonder, especially since a dictatorship turned its ugly appetite against a little and peaceful people who time and time again have expressed their desire to be British citizens.

The Times, however, calls for a "permanent disposition" of sovereignty over the Falklands by Great Britain. Yet it is self-determination that determines sovereignty, a lesson that was learned at great sacrifice in this country some 200 years ago.

Anyway, for the Falklanders such disposition has already been determined in a most dramatic way, and with the world looking on, by a free people forced to fight against what even the most generous among us would call a military dictatorship — a people who value that fragile cortex of human dignity that is self-determination, its enormous cost notwithstanding.

Strangely enough, there is a brave and magnificent tribal people in the East in Afghanistan (under brutal assault by a Soviet Union that has its own perverse notion of sovereignty) who can understand only too well the dauntless spirit to be free, as evinced by the 1,800 resolute souls in the far-off Falklands.

But in the West — the most conspicuous heir of self-determination's invention — when a nation defends and vindicates that protean principle to the benefit of all, it is cautioned, later on, to negotiate it away. How terribly ingenuous!

Small wonder, then, isn't it, that the West continues its dangerous drift in an aimless sea of compromised principle. JAMES COLLINS

Washington, Jan. 15, 1983

A Rightful Place for Semantic Symbols

To the Editor:

Metaphor is a difficult subject, and "semantic symbols," as Prof. Henry Bienen points out, "cannot describe what the real world looks like" ["Slogans Aren't the World," Op-Ed. Jan. 16]. Yet this kind of language, as he also points out, has been the stuff of (at the very least) the last five U.S. administrations.

Perhaps rather than try to reject metaphor outright, we should come to terms with it in order to understand it.

I share Mr. Bienen's concern for the implication involved in the glib figurative language of American policy makers. However, we must remember that metaphor is not simply a rhetorical trick, it is a fundamental part of our language. If a semantic symbol is apt (e.g., the leg of a table), we applaud its conciseness and utility; if it is inappropriate, we argue about the "distance" between the image used and reality.

Professor Bienen's article is just such an argument, and it demonstrates the way in which metaphor forces us to come to grips with, as he puts it, "specific" and "contextual" issues. That the metaphor has served its main function, to disseminate ideas, is evident simply by the occasion of the article itself.

Let us then not avoid metaphor (that is impossible), but question it. Some expressions, like "the window of vulnerability," may be easily dismissed, but others, like Professor Bienen's own "impregnable against Soviet attack," may require more thought. ALAN RAUCH

Highland Park, N.J., Jan. 17, 1983

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IN THE NATION

Restoring The Balance

By Tom Wicker

Just before he departs for renewed negotiations on nuclear missiles in Europe, Paul Nitze has left the strong impression that the U.S. would be willing to reconsider its position if the Soviet Union makes a "serious" proposal.

But President Reagan suggested at his latest news conference that the Soviets are not making serious proposals; he said they were demanding instead "the right to maintain enough intermediate-range nuclear warheads to literally . . . hit every population center in Europe. But they don't want a single weapon of a deterrent nature to be there on the other side."

A bit of history shows why this is misleading, although factually accurate.

Mr. Reagan has proposed what he called "zero-zero." That is, if the Soviets dismantle *all* their approximately 600 medium-range missiles, the NATO nations will forego their plan to deploy 572 Pershing 2 and ground-launched cruise missiles in Europe, beginning next December.

In response, it's true, the Soviets have offered only vague and propagandistic proposals to reduce the number of missiles they aim at Western Europe, if NATO gives up its entire planned deployment. But that is not quite as one-sided as it sounds, for the following reasons:

1. The Soviet advantage in medium-range missiles in Europe is not a sudden development. The American Thor and Jupiter missiles that were deployed in Europe in the 1950's were deliberately withdrawn in 1963. These shorter-range missiles were no longer needed on the Continent, because the United States' developing intercontinental ballistic missile and sea-based missile forces were believed to provide an adequate deterrent against Soviet attack on Europe or America.

2. NATO and the U.S. thereafter tolerated a big Soviet advantage in land-based theater missiles for nearly two decades. Until 1977, the Russians deployed about 650 SS-4 and SS-5 single-warhead missiles, while the West relied on submarine missiles in European waters, various aircraft, ICBM's based in the U.S., and British and French independent nuclear forces.

After 1977, when Moscow began to phase-in the modern, mobile SS-20 with its three warheads, the number of Soviet theater missiles actually declined to about 315 SS-20's and 280 SS-4's and SS-5's — approximately the present count — but the number of warheads they carry increased to more than 1,200. This "modernization" of Soviet theater forces led NATO in 1977 to plan its own modernization — the Pershing 2 and GLCM deployment.

But NATO also decided to seek a U.S.-Soviet agreement to *limit* deployment of theater missiles on both sides; it did not then demand, as Mr. Reagan's "zero option" does, that *all* Soviet medium-range missiles be dismantled. That would have seemed incongruous after NATO and five U.S. Presidents had accepted a 640-missile Soviet advantage since 1963.

Thus, when Mr. Reagan proposed his zero plan, it was generally regarded only as an opening position, not likely to be achieved. If they accepted it, the Soviets would have had to give up about 600 missiles and 1,200 warheads already deployed, while the West would merely forego a future deployment, while retaining all the weapons — most of them improved — that it had relied on from 1963 to 1977.

Thus, a more sensible Western goal would be to restore something like the balance NATO found acceptable before the advent of the SS-20. The Committee for National Security has proposed, for example, that NATO forego its planned deployment if the Soviets agree to dismantle their 280 SS-4 and SS-5 missiles and 100 of their SS-20's now aimed at Western Europe.

That would eliminate 380 Soviet missiles carrying 580 warheads, leaving Moscow with 645 warheads mounted on 215 SS-20's — about the number of warheads they deployed before 1977. Against this, the West would have 184 medium-range, sea-based missiles (U.S., British and French) carrying 544 warheads, plus 18 land-based French missiles, with one warhead each.

(British and French missiles could be counted by U.S.-Soviet negotiators even though the British and French Governments do not concede that they are involved in the Geneva negotiations. These forces would not be limited in any way.)

A hundred of the SS-20's the Soviets would retain are now sited in Asia and aimed at China or Japan. So the Soviets actually would have a greatly reduced missile force — 115 SS-20's with 345 warheads — in the European theater. But they would have fended off Pershing 2 deployment, which, as Mr. Reagan observed, seems to be "the thing they don't want above all." No wonder; from West Germany the Pershing 2 could reach Soviet soil in six minutes.

Any such compromise, would not take medium-range missiles off the board, as would the zero option; but it would forestall another round of the arms race — NATO deployment following SS-20 deployment. And it might well be attainable.

WASHINGTON

A Little Good News

By James Reston

WASHINGTON, Jan. 22 — There is some good news in the capital of the United States, after all. Recently, when it appeared that the American economy was getting out of hand, and even that its Social Security system was going bankrupt, some longing for unity began to intrude on the clamor of the front pages.

For example, when the executive and legislative branches of the Government could not agree on how to resolve the Social Security crisis, President Reagan appointed a non-partisan commission of politicians and economists from outside the Government to study the problem.

Under the leadership of Alan Greenspan they came up with a compromise. They recommended it as the best they could do in the national interest. It was accepted within a few days by the President and the leaders of Congress.

It may be that the way this compromise was reached — by cooperation between the insiders and the outsiders, the public and private sectors — was more important than the specific accomplishment it achieved. The Social Security agreement may be a model that can help in the resolution of other national conflicts.

Something of this same non-partisan cooperative procedure is also being applied to the controversy over the development of the MX nuclear missile.

Again, the Administration and Congress have disagreed on the issue, but again the President has referred the question to a commission of present and former experts of both parties.

This has taken some of the political and emotional heat out of the issue. As in the Social Security controversy, the MX commission probably will not be able to agree on an ideal resolution, but at least it has provided time for reflection.

There are some developing problems that could do with more objective analysis. For example, there are honest differences within both parties about the best policy for the control of nuclear weapons. This is unavoidable and may be beneficial, but in the early struggle for the Presidential nominations of 1984, it is becoming a personal and partisan issue, which benefits nobody but the Soviets.

The potential Democratic Presidential candidates met in California recently. Some of them proclaimed that if elected the first thing they would do is meet with Yuri Andropov. This worked for General Eisenhower, when he proclaimed during the 1952 Presidential election, "I shall go to Korea," and settle that war. But the control of nuclear arms is a different question.

A better analogy is the Presidential election of 1944. At that time, President Franklin Roosevelt, fearful just before he died that his dream of a world security organization would be destroyed as Woodrow Wilson's dream of a League of Nations was destroyed by personal and party animosity, arranged a deal with the Republicans — specifically Tom Dewey and John Foster Dulles — to keep the issue of the United Nations out of the campaign. And the Republicans did, in the hope of a better world order.

Left on their own, the Democratic candidates will probably continue to challenge President Reagan's nuclear arms control policy, which is their right; but playing politics with it is not something either party would approve if a commission on the rules of fair debate in the 1984 Presidential election studied the problem in the national interest.

Senator Daniel Patrick Moynihan, who thinks more seriously and speaks more eloquently on this subject than most of his colleagues, believes we need another commission to study the role of the Federal Reserve, and he may be right.

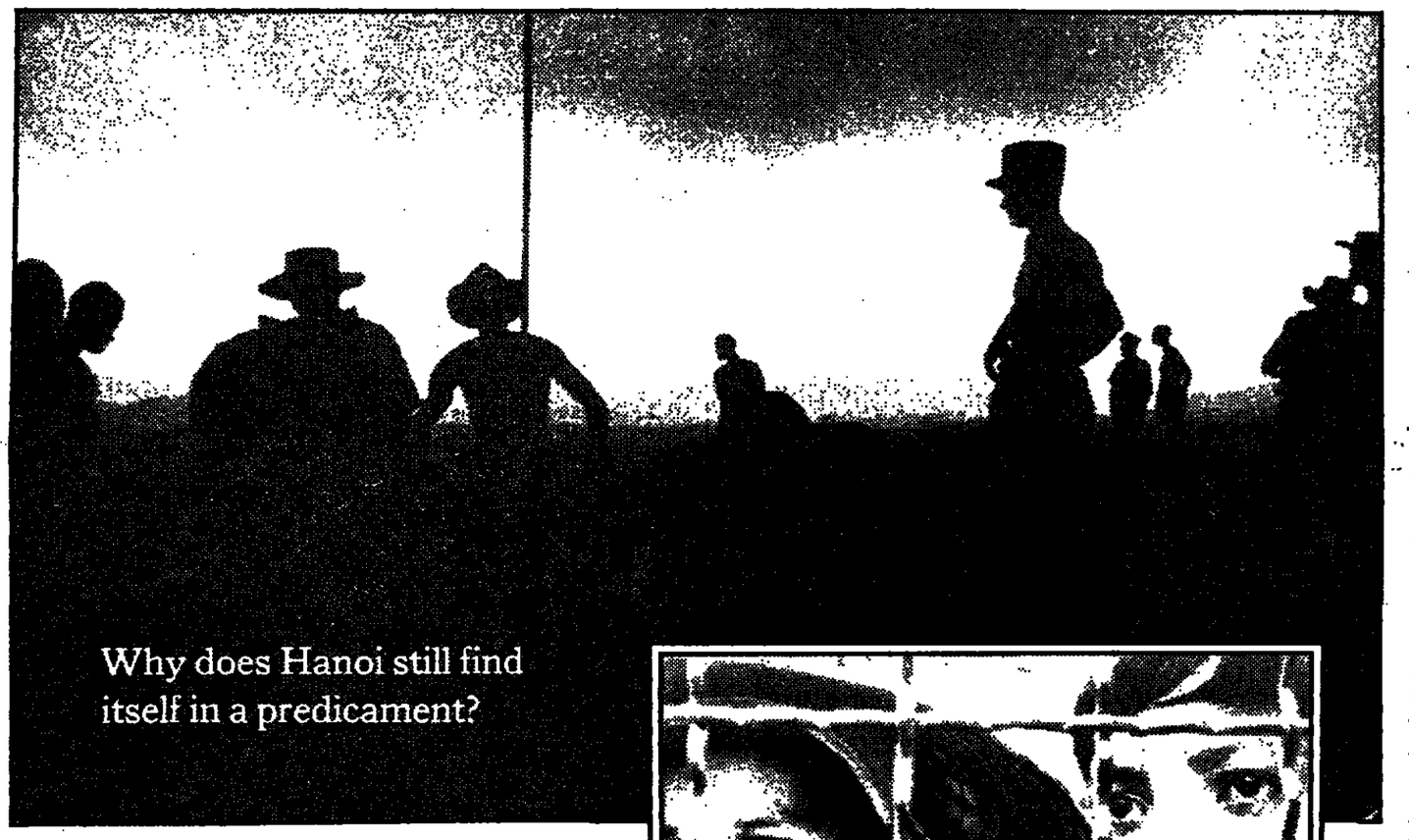
He is correct in applauding the rising voices of people outside the Government who are demanding a public debate on issues the President and Congress can't seem to resolve. Let's hear them loud and clear, he says. The people have little faith in the partisan conflict between the parties, the screaming headlines in the newspapers, the endless fascination and gabble with physical and verbal violence on the television screens.

Let the outsiders come in, he insists. It's good to have former Presidents Ford and Carter writing against Israel's policy on the West Bank, even if he doesn't agree with them, and to have the leaders of industry, formerly supporters of Mr. Reagan, denouncing his economic policy in newspaper advertisements.

In short, there's a growing feeling, in the country that the control of the economy and nuclear weapons is too serious to be left to the Government alone, and that it's a promising thing that people of all political persuasions are beginning to cry out and think that we can make greater progress by cooperation than by confrontation. Even the President seems to think, despite the protests of many of his right-wing "supporters," that this may not be a bad idea for the next two years.

Vietnam's 10 Years Of 'Peace'

By Tad Szulc



Why does Hanoi still find itself in a predicament?

Above: French soldiers, on night duty, amid villagers in Vietnam, 1954. Inset: Two widows of South Vietnamese soldiers at a compound in Saigon, 1973.

WASHINGTON — Ten years ago today, Henry A. Kissinger and Le Duc Tho met in a French Communist Party villa in Gif-sur-Yvette, a Parisian suburb, to initial the "Agreement on Ending the War and Restoring Peace in Vietnam." Four days later, the Secretary of State and the Foreign Ministers of North Vietnam and South Vietnam signed the document at a ceremony in Paris, and on March 27, 1973, the last uniformed American soldier left Vietnamese territory, ending more than a decade of direct American military involvement there.

Today's anniversary is an ironic and tragic occasion because Vietnam is still at war, though this time against other enemies, and because it has become little more than a pawn in the Soviet-Chinese rivalry in Asia. Moreover, Vietnam has become a Soviet client state rather than the fully independent nation it had hoped to be when Ho Chi Minh rose to overthrow French rule in 1945, and an internationally isolated country with abysmally low living standards.

The question arising at this time is why the 55 million Vietnamese find themselves in such an extraordinary external and internal predicament, with millions forceably removed to "new economic zones" and other millions officially listed as "enemies," when the Communist regime ruling them was supposedly the victor in what amounted to a 30-year war.

Much of the disaster, as it has unfolded over the last 10 years, may be attributed to Vietnam's wartime exhaustion, its shattered infrastructure — both North and South — and the dogmatic attitudes of the aging ideologues in power in Hanoi.

Still, it remains a valid and fascinating question whether all the events since 1973 were, in effect, foreordained by history, or whether they might have been averted or at least altered, had Vietnamese as well as United States policies moved in wiser directions. I believe a case can be made for the proposition that a diplomatic and economic relationship might have evolved that offered Vietnam alternatives other than the Soviet alliance and internal calamity.

Today, to be sure, Vietnam's significance to the United States lies mainly in its being the site of a major Soviet naval and air base — Cam Ranh Bay — that poses a potential threat to American strategic positions in Asia and the Indian Ocean, but this is still a secondary concern in the Pentagon's global preoccupation.

The ultimate Communist victory in Vietnam in 1975 hasn't produced the "domino effect" in Southeast Asia that had been feared: Thailand, Malaysia and Indonesia, for example, are not seriously imperiled.

And Hanoi's entrapment in the endless war of its own making in Cambodia and Laos, pious propaganda notwithstanding, is not wholly unwelcomed in Washington inasmuch as it is deeply damaging to all the Communist players in the region.

In a way that could not be foreseen in Paris in 1973, it is Vietnam that seems, 10 years later, to be the principal victim of that conflict. China has not fared particularly well either, having lost most of its influence in Southeast Asia. And considering America's immense investment — human and material — and the profound societal consequences, it too suffered badly from this unnecessary war; yet its fundamental long-range interests were not catastrophically affected.

If the war produced a winner, politically and strategically, it was clearly the Soviet Union — albeit at a great continuing cost — because the conflict's consequences neutralized China in Southeast Asia and permitted the Soviet Union to acquire military bases both in Vietnam and Cambodia.

But looking back to the peace agreement and its aftermath, it seems evident that the document provided the only way of taking the United States out of a war that was no longer politically tenable at home. While the Nixon Administration had armed the regime in Saigon to the teeth in the months preceding the final American withdrawal (and sought to weaken the North through the Christmas 1972 mass bombings), in retrospect it is clear that a Communist victory was inevitable if Hanoi wanted it. At the moment of the cease-fire, the overall military situation on the ground favored the Communists.

Yet, there may have been lost opportunities on both sides — American and North Vietnamese — for history to develop differently. First, President Nixon promised, in a secret letter to the North Vietnamese Prime Minister, Pham Van Dong, $4.75 billion in reconstruction funds, and agreed to a United States-North Vietnamese Joint Economic Commission. An economic accord was to be signed on July 23, 1973. What happened next is unclear. Though the chief American negotiator had reported on March 27, 1973, the day the last American soldier left Vietnam, that the aid pact was virtually ready, he was instructed the following week to break off the talks. The official explanation was that Mr. Nixon had decided to cancel the aid because Hanoi was infiltrating new military equipment into South Vietnam, violating the cease-fire, and because it went on fighting in Cambodia. Yet, Saigon was equally guilty of cease-fire violations, and American B-52's had resumed the bombing of Cambodia. (Under the Paris agreement, the cease-fire did not apply to Cambodia.)

What we do not know is whether Hanoi had resolved to sacrifice American aid for tactical advantage or whether Mr. Nixon deliberately overreacted to the violations because of opposition at home to reconstruction aid. Likewise, one wonders whether Hanoi would have launched the victorious 1975 offensive if it had been receiving American assistance. The inner workings of the Hanoi leadership have always been a mystery.

Between 1975 and 1978, new opportunities developed. For more than two years, Vietnam had resisted Soviet demands for military facilities at Cam Ranh Bay and Danang, seemingly keen on maximum independence, while sending signals to Washington that it wished to normalize relations. By 1977, the Carter Administration responded favorably. Curiously, however, Hanoi wanted American aid as "reparations," an unacceptable notion. Hanoi abandoned that idea in 1978, but by then it was too late: Congress already had forbidden all aid to Vietnam, and Jimmy Carter was moving ahead toward normalization with Peking, now hostile to Hanoi.

Late in 1978, Vietnam joined Comecon, the Communist common market, and signed a friendship treaty with the Soviet Union. Then it invaded Cambodia to overthrow the bloody, China-backed Pol Pot regime, and installed Heng Samrin as its puppet. Early in 1979, Vietnam granted the bases to the Soviet Union, greatly facilitating its naval operations between the Pacific Ocean and Indian Ocean. In February, China attacked Vietnam in an inconclusive border war. Vietnam's destiny as a Soviet ally was sealed.

The consequences for Vietnam have been awesome. The Cambodian war, now in its fifth year, is tying down 200,000 Vietnamese troops unable to defeat local guerrillas (and there are 60,000 troops in Laos fighting Hmong tribesmen). Economically, Vietnam is barely surviving despite $2 billion annually in Soviet aid. Per capita income fell from $241 in 1976 to $153 in 1981. Millions of Vietnamese have fled the country; a half-million are working in the Soviet Union. The septuagenarian Hanoi leadership is frozen in immobility, unable to cope with its problems.

This is Vietnam 10 years after the "peace" of Paris.

Tad Szulc is author of "The Illusion of Peace," a study of American foreign policy in the Nixon years.

Reform Jobless Benefits

By Phil Keisling

WASHINGTON — When word leaked out last Thanksgiving weekend that the Administration was thinking of raising taxes on unemployment benefits to increase Federal revenues, the President's liberal critics reacted with the satisfied glee that comes with catching a mortal enemy in *flagrante delicto*. The Great Communicator, they cried, wasn't just oblivious to the jobless in South Succotash — he wanted to punish them.

But Mr. Reagan's real political mistake lay not in broaching the idea of a means test — after all, some unemployment benefits already are subject to taxation. Rather, he should have gone much further — and challenged the notion that every working citizen who loses a job has a right to an unemployment check.

This idea probably sounds ludicrous when unemployment is at a post-Depression high of 10.8 percent. But the failure of our existing system of unemployment benefits becomes clear when one weighs the system's real purpose — giving adequate help to needy, unemployed workers — against its actual performance. Too much money goes to those who don't need it, at the expense of those who do.

More than half the nation's jobless now get absolutely nothing in unemployment compensation either because they've exhausted their benefits or because they were never included in the system in the first place. (The latter group includes nine million self-employed Americans.) States have limited eligibility to a fixed period, ranging from 26 to 34 weeks. This may have made sense five years ago, when jobs were far more plentiful. But even many of those who "vote with their feet" against dependency, leaving, for example, the Frost Belt for Texas, still can't find work — witness the caravans of families now traveling from camp ground to camp ground, passing one "Not Hiring" sign after another.

Recent Federal legislation extending benefits up to 55 weeks in some hard-hit states certainly helps many recipients, but millions of jobless are still unaffected.

Even in flush times, the system is riddled with inequities. In paying benefits, most states make no distinction between a young, single worker and an older one who must support a wife and several children. Benefits also vary widely from state to state: The same worker who receives $211 a week in West Virginia is entitled to a paltry $84 a week in Indiana. The taxes on business also differ dramatically: Employers in recession-wracked Michigan pay almost triple the rate of those in Indiana — hardly an inducement for firms to relocate in Detroit.

While it deprives deserving workers, the system lavishes money on those who don't need it. Unemployment insurance applies no means test to recipients; the corporate executive who's been handed a pink slip is just as eligible as the laid-off short-order cook. A recent newspaper article described a woman in Bronxville, N.Y., who was collecting unemployment benefits while passing time driving her Mazda between home (provided by her parents) and her exclusive tennis club.

Abuse of the system is seldom this extreme, but it is rampant. Most of us know people who've used unemployment to help finance a vacation or a short "rest" between jobs. Often such subterfuge is done legally by "looking" for work only among those employers with little intention of hiring.

The system has other faults. It is elitist: Unemployed workers are required to take "suitable" employment, which means a laid-off secretary may be forced to take a filing job at minimum wage while a furloughed civil servant can refuse a $6 an hour sales job as beneath his station.

And the choosier worker will probably get larger checks each week because benefits are scaled to previous income. This is particularly unfair because almost all full-time workers contribute equally to the system; the typical state taxes only the first $6,000 of wages.

The system also perpetuates a more traditional double standard. The man who loses his job and the nonworking woman whose husband abandons her and her children both need temporary assistance. Yet the man's unemployment benefits will probably be more generous than payments the woman receives from Aid to Families with Dependent Children. Moreover, the woman will be viewed as "on the dole" and subject to possible inclusion in Presidential anecdotes about "welfare cheats," while the man will likely be immune from serious scrutiny. Those familiar with enforcement of unemployment eligibility standards know it's almost as lax as the enforcement of laws about betting on the Super Bowl.

These inequities stem from a mistaken notion that unemployment compensation somehow has nothing to do with "welfare," but is strictly an "entitlement." The standard refrain is: "I paid for it, therefore I deserve it." Yet a typical worker will receive in about two or three weeks what his employer contributed on his behalf in a full year. The system is anything but self-sufficient; states have borrowed almost $10 billion from the Treasury (paid out, until last year, in interest-free loans) to bail out their programs.

It should come as no surprise that the current system had its origins in the same 1935 Congressional Act that created another beleaguered program that fails to distinguish between rich and poor: Social Security. The National Commission on Social Security Reform recently challenged an old taboo by urging taxation of old-age benefits (though, alas, only on half these benefits, and then only for those who earn more than $20,000). Similarly, it's time to challenge the idea of unemployment "insurance" and distribute benefits on the basis of actual need.

Further taxation of unemployment benefits could be done fairly. And a much more strenuous system of random audits accompanied with stiff penalties should be used to discover and punish unemployment cheaters.

But these are relatively minor reforms. Unemployment should also be subject to some kind of means test that would weed out the obviously rich and scale benefits to individual need.

Finally, the Federal Government should require states to adhere to common guidelines regarding benefits — if not take over the entire system. It's a perverse federalism that makes the circumstances of an unemployed worker largely dependent on accidents of geography. Those concerned with upholding the nation's traditional commitment to equity and compassion would be well advised to take up the cause that President Reagan so badly flubbed.

Phil Keisling is an editor of The Washington Monthly.

Arts & Leisure

Discovering the Beethoven Inside The Monument

By EDWARD ROTHSTEIN



John Howard

If Ludwig van Beethoven was, as Wagner said, a "titan wrestling with the gods," he obviously won the bout. He has become a figure of Olympian stature. Nearly every composer of the 19th-century wrote in his shadow and none doubted his supremacy. Today, his stern glance, defiant chin and unkempt hair grace bookshelves, record covers and piano cabinetry. His music practically defines the purpose of the symphony orchestra. Beethoven is not just an ordinary composer of great achievement. He is an icon — heroic, revolutionary, inspired.

But that icon has recently come under extensive scrutiny by the scholarly community — a scrutiny which may change our understanding of Beethoven and affect styles of performance. Particularly since the 1970 bicentennial of Beethoven's birth, a vast body of writing and scholarly debate using contemporary critical tools — psychoanalysis, structuralism, history of ideas — has been challenging the monolithic Beethoven of our imagination. These scholarly reinterpretations have been supported by new information, sometimes unearthed through painstaking detective work.

The excavations have included biographical reinterpretation (for example, about the reasons for Beethoven's cherished belief in his own noble origins), discoveries about the "sketchbooks" which provide a record of his compositional process, investigations of the "conversation books" in which Beethoven's friends wrote messages to the deaf composer in his later years, and analysis of his musical style — all contributing to a more enlightened, nuanced view — but one that does not diminish his stature.

A major research project, for example, is soon to be published by University of California Press, in which the British musicologist Alan Tyson and two American scholars, Douglas Johnson and and Robert Winter, put Beethoven's sketches in definitive order. A new volume of Beethoven's "Conversation Books" was recently published in East Germany, thus making accessible a total of 8 out of 10 of these remarkable texts. And the third volume of "Beethoven Studies" was recently published by Cambridge Press (earlier volumes were published by Norton and Oxford) — a series of research papers edited by Mr. Tyson, Joseph Kerman, a musicologist at the University of California, and Lewis Lockwood at Harvard University. The latest volume contains the first critical edition and English translation by Maynard Solomon of Beethoven's diary ("Tagebuch") dating from 1812-18. The reminiscences of Beethoven's acquaintances, F.G. Wegeler and Ferdinand Ries, are also to be published by Cambridge University Press for the first time in English. These publications follow a decade of studies which may have been the most fertile in a century.

Given the importance of Beethoven to the contemporary musical public, such researches are bound to have an effect. Beethoven practically *represents* "serious" music. His powerful appeal may be glimpsed, for example, in the origins of the Beethoven Society in New York, which is presenting a concert this Saturday afternoon in Alice Tully Hall. Robert A. Becker, the president of a pharmaceuticals advertising agency, founded the society in 1976 to promote the composer's music; it was an immediate success. Mr. Becker himself was a musical naif ten years ago; but in the midst of a personal crisis, Beethoven, he says, offered "consolation and solace." Mr. Becker went on to amass one of the world's largest collections of Beethoven sculptures; he funds the Society, and claims to own some of the composer's hair, found stuck to an autograph in Vienna.

Scholarly passions are more muted, but they, too, are having an impact. Just a decade ago, in the first volume of "Beethoven Studies," Mr. Tyson wrote: "In the broad area of interpretation, whether historical, analytical, or critical, there has been little recent work that is penetrating and original." The foundations of Beethoven scholarship were laid in the 19th century — in the great biography by the American, Alexander Wheelock Thayer, and in the analysis and evaluations of Beethoven's sketches and manuscripts by the German scholar, Gustav Nottebohm.

But important work is now being added to those earlier achievements. "Beethoven," a 1977 biography by Mr. Solomon (published by Schirmer Books), offers a compelling psychological interpretation of the life that is now widely accepted. Beethoven has always been seen as an iconoclastic revolutionary, but Mr. Solomon's work reveals him as more complex; he may have angrily scratched out his dedication of the "Eroica" to Napoleon, for example, but his relationship to the emperor, Mr. Solomon shows, was far more ambivalent than myth has allowed.

The most significant factual achievement of the biography was to establish the identity of a mysterious woman, the "Immortal Beloved," with whom Beethoven was in love and from whom he also dissociated himself. Mr. Solomon's identification shows that this love, like others of Beethoven's, was for an inaccessible woman; such recurrent themes are subtly traced with psychoanalytic insight throughout the life.

Mr. Solomon gives his themes still more resonance by linking Beethoven's stylistic transformations to psychological crises. The final crisis — Beethoven's desperate attempts to gain exclusive guardianship over his nephew — leads, in Mr. Solomon's reading, to a cathartic healing of psychological wounds and to the profound late compositions.

According to Harvard's Lewis Lockwood, Mr. Solomon's work has "set the whole field on a new footing"; his work is continuing. Mr. Solomon is now finding, through examination of publications of the period, that Beethoven in his late years was not a neglected composer in Vienna, as is popularly supposed. Mr. Solomon is also planning a study of Beethoven's interest in the "Eastern and Rosicrucian ideas of purification, asceticism, sacrifice, and the suppression of libidinal interest in the outer world," evident in the newly translated "Tagebuch" — an involvement heard, perhaps, in the composer's late works.

These interpretations are accompanying what Mr. Solomon says is growing "skepticism and reevaluation of sources." It has recently been shown by East German musicologists that Beethoven's amanuensis, Anton Schindler, whose unreliable biographical account has still been invaluable, actually *forged* entries in the "Conversation Books." Mr. Solomon has proven that two other biographical accounts of the period, by Louis Schlösser and J.F. Rochlitz, are also fictionalized. These discoveries indicate the extent to which Beethoven was turned into a mythological figure even by his contemporaries; they also show the need for a thorough reevaluation of biographical material.

While Beethoven's biographers have delved behind the received mythology with psychoanalysis and textual analysis, the musicologists have been doing something similar — exploring the background to the finished work, the "suppressed ideas" of the compositional process found in Beethoven's sketchbooks.

There are perhaps 7,500 known pages of Beethoven sketches in which he tried out musical ideas and mapped out works. Many notebooks containing these sketches were dismembered by auctioneers and acquaintances and strewn about the world; the pages of one sketchbook were scattered about in nearly a dozen countries. Mr. Tyson and his colleagues have done much of the bibliographic work, through ingenious study of watermarks, inkdrops and paper margins, organizing loose pages into integral documents; their work has already led to changes in the dating of some compositions.

Such work can also yield unexpectedly rich insights into the composer's mind — building upon the insights of earlier scholars. Phillip Gossett of the University of Chicago, found, for example that themes from different movements of the "Pastorale" Symphony have a common source in the sketchbook, confirming hypotheses that Beethoven's concerns for a composition's unity extended through its movements. Mr. Lockwood has shown that the "Eroica" first movement developed out of the bass line in the last movement. The sketches, according to some scholars, reveal the same obsessive concentration and daring transformations in the creative process that are found in the final compositions.

Beethoven's sketchbooks, Mr. Lockwood said, "really are his diaries. This was what he was thinking about as he was working. They tell us about the suppressed background to his music, its primordial ideas." Mr. Kerman — whose recent book "The Beethoven Quartets" is an important critical study — says that sketches provide "a picture of the personality. He would go over a tune 30 or 40 times. He had a compulsion for the graphic act. He did work at the desk that anybody else would do at the piano. They really support the myth of the enormous labor and perfectionism and organicity of these works."

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Lying behind the sketches, however, are the intellectual, ideological and esthetic currents of the age, which been scrutinized. One of the most influential studies has been Charles Rosen's 1972 book, "The Classical Style," which, in part, analyzed musical style with attention to its place in the history of ideas.

Mr. Rosen, for example, quotes Friedrich Schlegel, the German Romantic philosopher: "Must not pure instrumental music itself create its own text? And is not the theme in it developed, confirmed, varied and contrasted in the same way as the object of meditation in a philosophical series of ideas?" Though Mr. Rosen was cautious in his analogies, he demonstrated just that sort of philosophical meditation in Beethoven's music, showing how the smallest detail can determine the structure of an entire composition. The classical style, he wrote, is "a style of reinterpretation." The drama is not in the theme or melody, but in the structure, in the way a theme is transformed; similar ideas are found in the works of contemporaries such as Goethe and Hegel, and are seen at work in the sketchbooks as well. One reason for Beethoven's continued power may be that this esthetic has remained dominant through the last two centuries.

A Japanese Movie That Defied the Odds

By DONALD RICHIE

TOKYO

When Kohei Oguri's "Muddy River" opened the other day at the Cinema Studio, New Yorkers were offered an opportunity to see a film that defied enormous odds to win international acclaim and to inspire a coterie of young Japanese directors.

Whether this sober, unsentimental, black-and-white movie about the friendship of two little boys in post-World War II Japan is a harbinger of a renaissance of the once-eminent Japanese film remains to be seen. But without doubt, the success of "Muddy River," which was financed the film-struck president of an iron-working plant and could at first find no distributor, serves to expose the prolonged decline of an industry whose achievements once stirred international acclaim.

Despite its hard-earned success, "Muddy River" still represents an aberration. The industry that exactly 30 years ago gave the world such highly-regarded films as "Ugetsu" and "Tokyo Story" has devoted itself for some 20 years now to cranking out wish-fulfilling romances, gangster thrillers, soft-core pornography and "youth" films made by directors who average 70 years in age.

Except for the occasional film by Akira Kurosawa, Susumu Hani, Nagisa Oshima and Shohei Imamura, the Japanese film industry has been devoted to wooing, seducing, placating and brutalizing a dwindling audience. From a factory-like system bent on pandering in search of a mass audience and happy with staunch company men as its filmmakers, young writer-directors like Mr. Oguri have been excluded. For two decades, new writers and directors have been drifting off to television or softcore pornography.

In a land where major film companies not only make movies but control the theaters, there were no places where independent productions could play. During the past 20 years, better films, dealing realistically with Japanese life, have slipped into the distribution networks only when the double-bill system broke down and it was discovered that a film was needed to fill the bottom half of next month's bill.

But Mr. Oguri's success with "Muddy River," his first film, may be the forerunner of change. Born in 1945, Mr. Oguri first studied scenario writing and became a freelance assistant director, working with Masahiro Shinoda on "Double Suicide." Then he came across "Muddy River," a novel by Teru Miyamoto, the story of two children in Japan's postwar period, and knew that he wanted to make his own film.

"I belong to the generation that did not know the war," Mr. Oguri said later. "Nor did we know anything of what our parents experienced during and after it. It is this, their bravery, their will to survive, that I wanted to discover."

At the same time that he returned to the theme of the validity of the past, one of the strongest themes in Japanese cinema, he turned to another traditional concern of Japanese narrative, the duality of innocence and experience.

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His movie tells the story of a small boy, living with his parents beside a canal in Osaka, who makes friends with another boy of the same age living in a houseboat where his mother conducts her business — prostitution. Though her conduct means nothing to the children, it does to society. The boat must move on, leaving behind one small boy, bereft of new friends and possessed of new knowledge he does not yet know he has.

"My film," said Mr. Oguri, "is called 'Muddy River' and I think of it this way: At the spring the water is pure, but as it descends to the sea, as a stream and then as a river, it becomes more and more muddy. Yet this mud is also the essence of the river, which is, after all, made of both water and the mud. In the same way, though a child may be as pure as spring water, it is the mud of humanity, the experience of living, of knowing happiness and sorrow, that nurtures him. This I wanted to celebrate in my film."

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When Mr. Oguri showed his script around, no major studio would touch it. But Motoyasu Kimura, the iron-working plant president who had earlier financed two of Yasuzo Masumura's best pictures, put up the $250,000 cost of "Muddy River."

Furthermore, he gave Mr. Oguri complete artistic freedom to make the film he wanted. Locations were found in Osaka, auditions (some 300 of them) were held to find the two 9-year-olds needed, special arrangements were made for black-and-white processing (a big budget item because Japanese plants no longer had facilities for anything but color), and a crew was assembled. Making his first film, Mr. Oguri surrounded himself with experienced technicians and actors, such as Takahiro Tamura, who plays a father. Mr. Oguri and the children were the only amateurs.

Once the film was completed, it had no distributors and there were no theaters where it could be shown. It was first exhibited in local halls and then, in a series of small, private screenings, to critics and members of the press. As interest grew, larger exhibition halls were rented as "Muddy River" played before general audiences. All of this, of course, was outside any general distribution network.

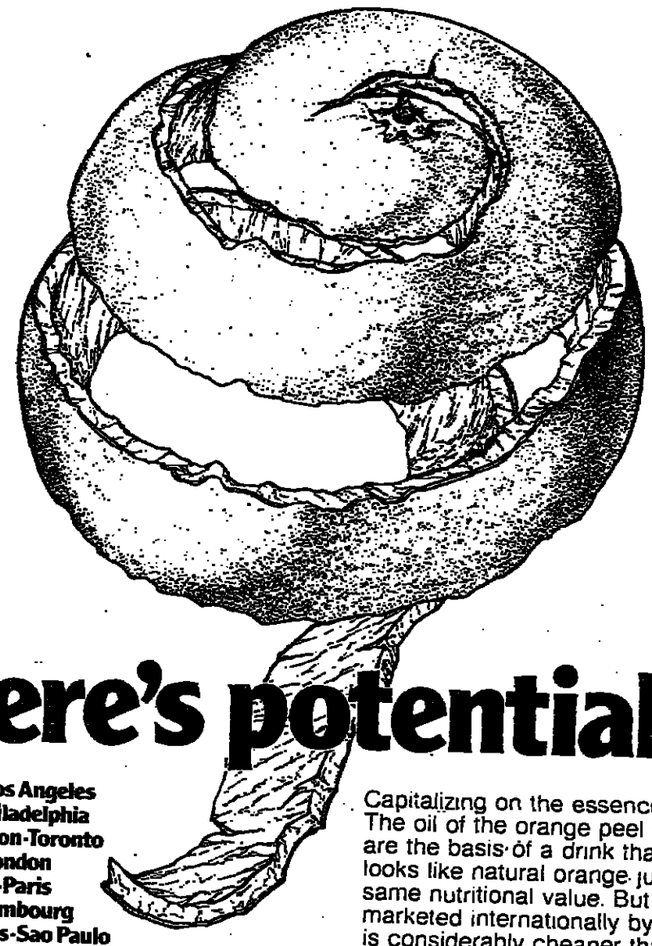
Little by little, people began to talk about this new movie, which was a real Japanese film. Small notices began appearing in the press, then reviews. The acclaim became such that eventually one of the major film companies, Toei, heard about it and picked it up for nationwide distribution, where "Muddy River" proved to be a commercially valuable property.

Next it won the silver prize at the 1981 Moscow film festival and then swept the Japanese film polls.

By its triumph, "Muddy River" exposed the shortcomings of the established film industry.

Financial difficulties resulted in films being taken away from directors and being given to producers — administrators and moneymen who felt certain they knew what audiences wanted. That they did not, and that they still continued making films, constitutes the melancholy history of the Japanese film in the 60's and 70's. One by one, theaters closed and the companies remained solvent only through diversification, which brought in sufficient revenue to keep stockholders happy. This, of course, is what happened to film industries in most countries during the post-television era. Japan is unusual only in that the process is still happening.

Donald Richie is the co-author of "The Japanese Film," which has recently been reissued by Princeton University Press in a new and expanded edition.



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A visit from friends

By MARK SEGAL / Post Political Correspondent

BRITISH Prime Minister Margaret Thatcher will never receive a PLO representative — and she will make sure that none of her cabinet ministers does either. This is in keeping with her declared principle of "never meeting or treating with terrorists," according to Michael Fidler, director of the Conservative Friends of Israel following the fifth annual visit to Israel by a delegation of the Friends.

Referring to the fuss caused in London recently by the cancellation of the Arab League delegation's mission to Britain because Thatcher refused to countenance a PLO presence, Fidler said that neither she nor Foreign Minister Francis Pym would receive any PLO representative until they change their National Covenant, renounced terrorism and recognized Israel.

Any British contacts with PLO people were conducted at a much lower level, he said.

Despite disagreements over certain aspects of Israeli policy, the Thatcher government continued to pursue Britain's traditionally friendly approach towards Israel, said Fidler, himself a former Conservative MP.

He noted that while the recent British Labour Party conference had followed the Liberals in adopting anti-Israel resolutions, there had been none of that at the Conservative Party conference.

Indeed, Thatcher herself had attended a meeting of the Conservative Friends of Israel, where she had heard her party chairman, Cecil Parkinson, reiterate: "We are not fair-weather friends of Israel. We stand by her through thick and thin."

FIDLER STRESSED the importance of Thatcher's personal letter from Downing Street in which she gave her blessing to the delegation (which included eight MPs, as well as leading party officials). In the letter, Thatcher also recalled having issued such a message at a time when the Saudis were making a fuss over the Arab League delegation, he said.

The two key passages in the Thatcher letter were: "The past year has been a disturbing one for Israel, the Middle East as a whole, and especially for the Lebanon. But the people of Britain and Israel remain bound by a common commitment to democracy and freedom... We in Britain and all our partners in the European Community remain committed to... the security of the State of Israel. Our resolve to uphold that principle will not weaken, nor will our belief that real security must come from a just and lasting peace."

Moreover, the British premier specifically requested that her party colleagues report back to her on their return.

Thatcher's strong resolve had defeated the Saudi efforts to exploit economic relations, as they had done so successfully with other European countries in the past, Fidler declared. The Saudi attempt to pressure London over the PLO issue was interpreted as a test case, he contended.

The visit by the Conservative Friends was the first by such a large group of parliamentarians since the war in Lebanon, and Fidler believed the visit had served to counterbalance the media distortion in Britain. Members of the delegation had a series of interesting meetings, he said, including one with Major Sa'ad Haddad and another with West Bank Village League leader Mustapha Dudein.

Their tours had taken them from the "Good Fence," to the new airfield in Ramon. And a highlight of the visit had been a meeting with Prime Minister Menachem Begin, which lasted for 80 minutes.

Begin, he said, had assured the British MPs that Israel has absolutely no territorial claims whatsoever on Lebanon, but only wished to ensure its own security interests. He also told them, on the subject of the Reagan plan, that Israel would not accept any proposals that deviated from the Camp David agreements. On this issue, Begin urged that Britain and its European Community partners be more supportive of the Camp David process than they have been so far. Fidler also related that Mustapha Dudein had told the British delegation that while he strongly advocated peaceful coexistence between Jews and Arabs, he was very much opposed to the present drive for massive Jewish settlement throughout the West Bank.

Before the delegation returned home, it issued a statement recognizing the urgent need for negotiating peace agreements with Lebanon and reaching agreement over the future of the West Bank. The Conservative MPs also dwelt on the need for "a peaceful solution that does not undermine Israel's hard-won security."

Still keen on Keynes

By CHARLES HOFFMAN / Jerusalem Post Reporter

IF REAGANOMICS succeeds at anything, it may well be at convincing economists and politicians in Washington that Keynes' approach to macro-economic management isn't as outmoded as its critics thought. Or, looked at in another light, after the mind-boggling federal deficits inspired by the advice of the "supply-side" economists, almost any other approach would seem reasonable.

Among the leaders of the Keynesian comeback in Washington is Dr. Joseph Pechman, head of economic research at the Brookings Institution. He recently visited Israel to review the first report on national social priorities prepared by the new Centre for Social Policy Studies, headed by Dr. Israel Katz. He also shared his views on America's economic troubles in lectures and interviews.

First Pechman tries to sweep away one of the prevalent misconceptions of the Keynesian approach, that it is not concerned about the size of the federal deficit. The deficit can be used as a tool to stimulate spending in a recession, he says, but the enormous deficits being piled up by the Reagan administration threaten the very capacity of the economy to recover and for employment to rise in the future.

The U.S. deficit in 1982 was $111 billion, while the deficit projected for each of the next two years may go as high as $200b. "This figure represents 5 per cent of the Gross National Product, and implies that the government is deflecting capital that would otherwise be invested in production. And to think that President Carter was severely criticized for a $29b. deficit in 1979!"

He claims that with a restrained Keynesian approach, a modest federal deficit can stimulate employment, which in turn reduces the deficit as the increased economic activity generates more taxes and reduces the need for such social spending as unemployment insurance.

Reaganomics, however, combined ballooning deficits with a restricted money supply, which strangled economic expansion and produced record unemployment. Unemployment kept the deficit high by boosting spending for the social problems created in its wake. Pechman concedes, though, that tight money has brought inflation down to about 5-6 per cent.

How did the deficit reach such dizzying heights? Penchman shakes his head ruefully as he recalls the reasons: "Reagan was persuaded by the crackpot supply-side economists that a massive tax cut would create prosperity. Congress went along with him and reduced the tax intake by about 20-25 per cent over three years. But Reagan also wanted more defence spending, which contradicted the effect of the tax cuts.

"Also responsible was the tight money policy, used to reduce inflation. These are the main reasons why the American economy had fallen flat on its face."

Coming now to the remedies for the high deficits, Pechman discusses his role at Brookings. For the last 10 years he has edited a series of annual reports called "Setting National Priorities," which analyse the federal budget and spell out the spending priorities implied therein. The reports also present alternative policies for attaining the same goals. This year Brookings celebrated the "bar-mitzvah" of the series.

"Governments rarely explain the various options available for reaching particular goals, and the Brookings reports have made an important contribution in stimulating discussion and criticism of the budget," says Pechman.

In the case of the deficit, the remedies set out in the report are relatively simple: cut spending. One of the report's recommendations is to save the equivalent of one per cent of the GNP by cutting out certain defence items such as the MX missile and the B-1 bomber, which are of questionable necessity. In addition, he would recommend an increase in Social Security taxes and a reform of the tax system as ways to bring in more revenue.

The Keynesian approach, he says, was in eclipse for several years because it couldn't provide convincing answers to the problems of "stagflation," rising prices and stagnating economic growth. Now, he says, Keynesian tools can be used to help cut the Reagan deficits, which even conservative economists feel have gone out of control.

He is not optimistic, though, that policy-makers will be able to make the hard choices now, in order to reduce a deficit anticipated two years from now. "We'll continue to have very serious problems in the U.S. Even if we manage to cut the unemployment rate in half over the next two or three years, the high deficits may wipe out this gain."

EVEN THOUGH economics has been tagged as "the dismal science," Pechman's discussion of the complex situation is brightened by his sense of humour. Nor does he hesitate to poke fun at his own profession.

He tells a story of the late Soviet leader Brezhnev, as he was reviewing the troops in last year's May Day parade in Red Square. Following the impressive ranks of the armour, artillery, infantry, missiles and other units, came a bedraggled group of men in civilian clothes carrying briefcases. Brezhnev turned to his defence minister and asked: "Who are these people?"

The defence minister replied: "That is our unit of economists. You'd be surprised at the damage they can do."

Pechman also directs his attention to some of Israel's economic problems, such as inflation. "One of the main perpetuators of inflation is indexation (or linkage, in Israeli parlance). With a fully indexed system you can never get inflation down to reasonable levels. For reasons of equity it is necessary to index some things, like social security, although I feel that wages should not be indexed.

"For a fully indexed system like Israel's, the only way out of the vicious circle is to make a 'social contract' between government, workers and employers, which cuts linkage for everyone at the same time.

"High rates of inflation may be cushioned by indexation, but they are very costly. They divert resources into indexed assets instead of productive investment. High inflation rates also have people running to the bank a lot to check out the state of their assets, which costs the economy time and effort."

He also sought to clear up some other misconceptions, this time about Brookings, which is often labelled a "liberal think-tank" by the media. He stressed that the institute is non-partisan, and employs Republicans, Democrats and middle-of-the-roaders on its staff. It is true, however, that a number of senior Brookings staff like himself have served in Democratic administrations. Brookings, he stressed though, is not a "liberal twin" to the avowedly conservative American Enterprise Institute.

He was surprised to find that Israelis with only a brief acquaintance with Brookings view it as "anti-Israeli." This evidently stems from an influential Brookings report on the Israel-Arab conflict issued in 1975, which called for a full Israeli withdrawal from the territories and for Palestinian self-determination.

Pechman said that there was never any follow-up to this report, and that its conclusions are not official Brookings policy. "I for one would never want to be associated with an anti-Israel institute," he concluded.

Impeccable effort

MUSIC REVIEWS

BACH PLUS ONE — Organ Recital by Elisabeth Roloff (Church of the Redeemer, Jerusalem, Old City, January 20). Johann Pachelbel (1653-1706) Ricercar, Chorale-Variations, Ciacona in D Minor, Prelude in D Minor; J.S. Bach (1685-1750): Prelude and Fugue in A Minor; From the "Eighteen Chorales": Prelude and Fugue in D Major.

IN THE SECOND programme of Bach Plus One, Elisabeth Roloff chose one of the greatest predecessors of J.S., who through his work in Thurigia had many links to the Bach clan and through his music evidently had a great influence on his time and especially on Bach. Particularly beatuiful were the Ciacona and the Prelude, both in D Minor. They demonstrated the inspired writing of Johann Pachelbel, who grew up and died in Nuremberg although he held many distinguished posts all over Germany, spreading knowledge of his compositions far and wide.

Bach was presented by two preludes and fugues from his early period (Arnstadt and Coethen) and three settings of the Chorale *Allein Gott in der Hoeh sei Ehr*, from his Leipzig time. The latter, in their very complex polyphony and learned elaborations, seemed to be a bit beyond the register possibilities of the organ; the texture appeared quite overcrowded and indistinct. The lack of a clear bass register and certain instrumental colours in the higher spheres was quite apparent. One wished that the organ could eventually benefit from the addition of these missing voices to bring the instrument up to the requirements of the ambitious programmes of the church and the organist, which continue to draw a good number of visitors and citizens.

Elizabeth Roloff gave an impeccable reading of all works and tried her very best to elicit contrasting colours and clear textures from the organ at her disposal.

YOHANAN BOEHM

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ISRAEL PHILHARMONIC ORCHESTRA. Rafael Frubbeck De Burgos, conducting, with Salvatore Accardo, violinist (Mann Auditorium, Tel Aviv, January 19). Haydn: Sinfonia No.6 in D Major ("Le Matin"); Paganini: Concerto No.1 in D Major for violin and orchestra, Op.6; Reger: Variations and Fugue on a Theme by Mozart, Op.132; Weinberger: Polka and Fugue from "Shvanda the Bagpiper."

THIS concert gave plenty of opportunity to sections and individual players to prove their dexterity and to justify their positions in the orchestra. As a whole, Haydn's 1761 Sinfonia — a very early piece of the master — offers little, but its motley variety of solo passages keep the wind-players and the concert master constantly employed. Their prominence compensates, in a way, for the general insignificance of the music.

All the solos were extremely well-done. As Fruhbeck De Burgos chose aninated tempi; presented everything with great precision and formal clarity; and created a typical Haydnesque sonority and balance, the sinfonia, despite its weaknesses, emerged pleasingly well.

It was evident from the beginning of Reger's "Variations" that the conductor had a special liking for it, and he directed with authority and strong involvement. Groups of instruments surfaced and disappeared intermittently. The whole orchestra was constantly on the move. it was a full and arrestingly active performance. Fruhbeck De Burgos advanced from variation to variation with complete confidence, arriving with flying colours at the blazing finale in which Mozart's simple A Major tune from his K. 331 piano sonata floats in the heroic brass high above the full orchestra.

In Paganini, Salvatore Accardo impressed with a devilish display of fireworks. His acrobatics simply stunned and often appeared almost unbelievable. The runs, double stops, spiccato effects, pizzicati, and pizzicati in combination with bowing, all seemed bewildering. All this virtuosity, however, created a disturbing feeling: it seemed as though Accardo only acted as a faithful reproducer, and not as an interpreter. Even in a display of sheer virtuosity, there can be some personal involvement and as a matter of fact, should be. We detected none.

BENJAMIN BAR-AM

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ISRAEL PHILHARMONIC ORCHESTEA — Rafael Frubbeck De Burgos, conducting with Salvatore Accardo, violinist (Mann Auditorium, Tel Aviv, January 12). Brahms: Concerto in D Major for Violin and Orchestra; Sergio Natra: Sinfonia for Strings; De Falla: "The Three Cornered Hat."

SALVATORE ACCARDO'S performance of the Brahms concerto was different from anything we had heard before; it was actually no Brahms at all. True, Accardo played all the correct notes, and one could admire the accuracy and fluency of his left hand, but his interpretation never even came close to what this music should amount to. Accardo's small tone cannot satisfy the sonority and volume Brahms demands. It was, however, mainly the violinist's failure to grasp the breadth of the music, its emotional depth and drama, that made the performance such a lukewarm, almost irrelevant, affair.

The rest of the programme was a partial compensation. Natra's *Sinfonia*, written in 1960, which we remember well from a previous performance, seems to have lost none of its freshness and originality. All three movements create a convincing feeling of form and convey a clear message. The second movement is a touching meditation (strongly influenced by Mahler and Schoenberg), which reaches a passionate climax. Fruhbeck De Burgos and the orchestra responded to the music most positively.

The concert ended with the apparently inevitable *Three Cornered Hat* by De Falla. Fruhbeck De Burgos gave it a sweeping performance in which the orchestra's potential came to full expression. But must it always be De Falla's "Hat"? Is there really nothing else available in Spanish music? What about all the contemporary Spanish composers who have made names for themselves on the international scene?

BENJAMIN BAR-AM

ISRAEL LANDS ADMINISTRATION — Northern District

Owner-Occupier Construction — Afula and Upper Nazareth
Tenders for the Leases of Plots

Bids are invited from those prepared to sign a development agreement in respect of areas, the details of which at the time of publishing the tenders are as follows:

1. Tender 89/82/Nz. Upper Nazareth

Block	Parcel	Plot	Aprox. area	Building percentage — 2 floors	Building area	Minimum price	Deposit
17528	64	29	583 sq.m.	40	233 sq.m.	IS 889,875	IS 45,000

The above is based on an assessment made for the land in its present condition, and in its current state of development.

2. Tender 88/82/Nz. Afula

Block	Parcel	Plot	Approx. area	Building percentage — 2 floors	Building area	Minimum price	Deposit
17234	48	126	700 sq.m.	50	350 sq.m.	IS 595,350	IS 30,000

The assessment was made for the land without development. In addition to the cost of the land, the successful bidder will be required to pay IS 223,189 to the Ministry of Housing, linked to the building index for November 1982, for development. Details, sample agreements and bid forms are available at our Upper Nazareth district office, located in the industrial zone, during normal working hours.

Last date for submitting bids: February 14, 1983. A bid not found in the tenders box when it is opened, whatever the reason, cannot be considered.

No undertaking is given to accept the highest or any bid.

ISRAEL LANDS ADMINISTRATION — Haifa District

Industrial Plots — Kiryat Bialik
Tender for the Leases of 2 Plots

Bids are invited from those prepared to sign a development agreement in respect of areas, the details of which at the time of publishing the tenders are follows:

Tender	Block	Parcel	Plot	Approx. area	Building Percentage — 2 floors	Minimum price	Deposit
90/82/H	10417	4	279	8,927 sq.m.	100	IS 6,587,446	IS 325,000
91/82/H	10419	2	20	4,532 sq.m.	100	IS 4,722,681	IS 235,000

The tender is open only to those who obtain a recommendation from the Ministry of Trade and Industry.
Details, sample agreements and bid forms are available at our Haifa District office, 13 Rehov Ha'atzma'ut, during normal working hours.
Last date for submitting requests for a recommendation from the Ministry of Trade and Industry: February 14, 1983.

Last date for submitting bids: March 14, 1983 (12 noon). A bid not found in the tenders box when it is opened, whatever the reason, cannot be considered.

No undertaking is given to accept the highest or any bid.

ISRAEL LANDS ADMINISTRATION Southern District

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BEERSHEBA MUNICIPALITY

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These plots are offered to the public, the price being based on updated figures for the value of the land and the development expenses.
All other conditions are as in the original prospectuses (as amended by this notice).
These plots will be available from 10 a.m. on Sunday, January 30, 1983, and will be allocated on a first come, first served basis.
At the above time, a draw will be held among those who present themselves to register for a plot.
When registering (at the offices of the Israel Lands Administration, Southern District, Rehov Ben Zvi — above Ulamei Yehalom) you will be required to deposit IS 20,000 in the form of a banker's cheque, this being an advance payment on the ground rent.
Additional details from the above office of the Administration.
This notice in effect until June 30, 1983.

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Acting secretary of Hevrat Ovdim reviews the economy

'We are running short of investments'

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — A gloomy picture of Israel's ecomomic future under the Likud regime — "with the country devouring its future to satisfy its present rapacious appetite" — was painted yesterday by Moshe Olenik, acting secretary of Hevrat Ovdim, the Histadrut holding company, which controls a considerable part of the economy.

Olenik was speaking at a press conference on the eve of the national council meeting of Hevrat Ovdim, which will take place this Thursday at Shefayim. He noted that "so far, Hevrat Ovdim has managed to prevail against the current economic erosion," but "we have no idea how long we can continue standing up against the strong tide."

Specifically, in 1982, Koor Industries managed to increase its exports by one per cent, to $451 million (about 15 per cent below the target). While Solel Boneh's activities within Israel had fallen by four per cent in 1982, they had increased by 29 per cent abroad. Also, Hevrat Ovdim's investments in industry had increased from 25 per cent of all investments in industry in 1978, to 34 per cent in 1982.

Although Hevrat Ovdim was forging ahead, Olenik said it was running short of investment money.

Ben Z. Rabinovitch, head of the holding company's economic department, noted that "since the Likud government had 'nationalized' our pension and other funds in 1979, Hevrat Ovdim was hard put to find money for investments."

"True," he said, "there was the Tel Aviv stock market." This was a source of money which the company had tapped before — its Koor, Solel Boneh, Teva, Alliance, Agan, Aryt and other shares are all traded, but the present situation on the stock market was "not encouraging".

Asked what he meant by "nationalization," Rabinovitch said that formerly 46 per cent of the monies in the funds were held in government bonds, but another 46 per cent could be used for investment purposes, while the remaining eight per cent were used to grant loans to members.

"However, in 1979 the government forced us to buy government bonds with the 46 per cent we formerly used for investments," he said.

Olenik noted that "the government is not using the bonds for investments, but for current expenses, thus eating up the country's future."

Regarding the general economic picture in the country, Olenik said that "tourism, public construction, agriculture and industry have never before witnessed such bad times."

He said that although the total drop in exports in 1982 was only about four per cent in dollar terms, the trend which had developed in 1982 was much more indicative of the future. According to figures he produced, there was a 4.8 per cent increase in industrial exports in the first quarter of 1982, compared to 1981. This slipped to a 2.8 per cent increase in the second quarter. But in the third quarter of 1982 exports were 9.2 per cent less than the same period of 1981. In the fourth quarter of 1982, they were 20 per cent below the 1981 figure.

"As for private investments in industry (other than those of Koor, etc.), they were barely enough to replace worn-out machinery and cover amortization."

Olenik said that ("before you ask me, this is the answer") until now he had let the Manufacturers Association take the lead in fighting the government's policies, "because we knew that we would be accused — wrongly — of mixing politics with economics."

He also demanded that the government "rewrite its investment policy, so that the focus would be on development towns within Israel, and not on places in the West Bank."

The company's national council will be devoted mainly to economic problems. Olenik said that there would be no elections — "these are not held at any council meeting" — and a new head of Hevrat Ovdim, to replace Moshe Bancover, who fell sick some time ago, would be selected by the central committee of the Histadrut some time after the council wound up its affairs.

Elscint raises $30 million in new U.S. financing issue

By JOSEPH MORGENSTERN
Post Finance Reporter

TEL AVIV. — Elscint has just concluded a new financing issue which, raised $30 million on the American capital market. The company sold 3.2m. shares at a price of $23.50.

This marked the single largest capital financing ever undertaken by an Israeli industrial firm and in the U.S. Underwriters for the issue included the prestigious American brokerage firms of Shearson/American Express, Robertson, Colman & Stephens, and Prudential-Bache Securities.

The selling group included some of the best known names on Wall Street and numbered anong others, Merrill Lynch, Pierce, Fenner & Smith, Salomon Bros., Lazard Fréres, Lehman Bros. Kuehn Loeb and Goldman Sachs.

According to an Elscint spokesman the vast majority of the issue was bought by mutual and pension funds. The company also succeeded in keeping down the expense involved in the floatation, and this came to only 4.3 per cent of the total issue.

Elscint shares are traded on the American Over-the-Counter Market.

Elscint exports 95 per cent of its production and owns 15 subsidiary companies in various parts of the world.

Some 13 per cent of sales is invested in research and development and over the next two years R&D allocations are $60m. The company employs more than 2,000 personnel, mostly scientists and highly skilled technicians.

For Elscint this was the third successful financing issue; the previous ones were in 1972 and in October 1980.

Eliezer Shiloni to head Securities Authority

TEL AVIV. — Eliezer Shiloni, former Income Tax Commissioner and currently general nanager of the Israel Coins and Medals Corporation, has been appointed head of the Israel Securities Authority.

Computer software makers organize to upgrade sales

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — An Association of Computer Software Companies — whose objective it is to step up the sale of Israeli software abroad while creating jobs for Israelis now working abroad — was recently set up in affiliation with the Manufacturers Association.

The chairman, Zusya Cohen, of Manof, yesterday told *The Post* that in 1981 Israel exported software valued at $5 million, mainly to the U.S., with other customers being West Germany, England and South Africa. Last year, although final figures are not yet in, he estimated exports at anywhere between $12m. and $20m. "In the current year, they should reach $30m.," he said.

He noted that one of the reasons for setting up the association was to get accurate information on the number of companies working in this field, and their exports. At present, he estimated that there are 150 companies active in Israel, but of these, only 50 employed ten or more persons. "In fact, they employ about 800 of the approximately 1,000 software professionals," he said. The other 100 companies are often one-man outfits. Of the 50 large ones, half have already joined the association.

Cohen also estimated that there were "several hundred Israelis working abroad who could be persuaded to return."

According to Shmuel Merdler, secretary of the association, one of its objectives is to lobby the government to have software companies recognized as an "industry," entitled to tax and other benefits. The added value in the field was 90 per cent.

The association would also try to coordinate the direction of software development of its members. "There is no reason why so many should be active in drawing up accountancy programmes, while industry needs productivity programmes."

The new organization will also try to coordinate all teaching activities (at present the profession is taught at universities, technical schools, and in private courses), so that uniform levels could be achieved.

IS1.4 billion in approved investments

Post Economic Reporter

Projects totalling some IS1.4 billion were approved by the Investment Centre last year, it was announced yesterday by the Industry and Trade Ministry.

Centre director Joshua Forer said that the projects approved deal mainly with the establishment of new industries and the enlargement of existing ones.

The projects include, among others, the production of wines, pharmaceutics, car spare parts, oils for cosmetic industries, and scientific translations.

Forer added that some IS231 million will be devoted to the establishment of new plants, while the bulk of the funds will be used for the enlargement of existing ones. Most of the projects approved are designed to increase exports.

Turnover of Burger Ranch was IS63m. last year

TEL AVIV. — The country's largest chain of hamburger restaurants, Burger Ranch, which is celebrating its 10th anniversary now, had a turnover of IS63 million last year, an increase in sales of 175 per cent over 1981.

The first branch of Burger Ranch opened in 1972 on Rehov Ben Yehuda here, and with the recent opening of the Givatayim branch outlets now total 13. Additional restaurants will open later this year in Bat Yam and Jerusalem.

The owner-managers of Burger Ranch are two olim from South Africa, Barry Scop and Ron Lapid. One of their proud claims is the successful integration of 15 families from South Africa, who are operating many of the Burger Ranch restaurants.

Your money and your questions

By JOSEPH MORGENSTERN
Post Finance Reporter

QUESTION. What is the difference between a "bull" and a "bear?"

ANSWER: A "bull" is an investor who buys a stock because he feels prices will go higher in it or in the general market. A "bear" is an investor who sells a stock because he feels prices in that stock or the general market are going lower.

QUESTION: Why, when I own a share, don't I own a piece of the company, as in the U.S.?

ANSWER: All ordinary shares are expressions of ownership in a given company. However, some shares do not entitle the holder to any voting rights, while others do. Legislation is being prepared here whereby all new shares issued will entitle the owner to voting rights.

QUESTION: Why don't Israeli shares pay dividends?

ANSWER: Companies in Israel pay shareholders either cash dividends, or give them bonus shares, or both, as a rule. For instance, today Clal Trade is paying 100% in bonus shares to shareholders, while tomorrow the Agricultural Bank will make a cash payment of 4% to holders of its 8% preferred shares. Recently the country's commercial banks have moved away from paying cash dividends.

QUESTION: What is a unit trust? Is it the same as a mutual fund?

ANSWER: Unit trusts and mutual funds are synonymous terms. A mutual fund or a unit trust is a company organized to invest in securities. There is no limit to the number of units it can issue, as it receives new capital. The price of these units represents the net value of all the fund's holdings, divided by the number of units outstanding.

QUESTION: What is an "insider?"

ANSWER: An "insider" is a corporation officer or director or a stockholder owning a substantial amount of corporation stock. Such "insiders" must report changes in their holdings to the stock exchange.

QUESTION: What is "inside information?"

ANSWER: Corporate information of a significant nature, the knowledge of which is construed as giving the possessor an unfair advantage in buying or selling the company's shares.

Information in this column comes from sources we believe to be reliable, but we do not guarantee accuracy or completeness. It is not meant as a form of recommendation.

Attracting South African investors

Jerusalem Post Reporter

TEL AVIV. — Non-Jewish businessmen from South Africa are becoming increasingly interested in investing in this country, according to Isaac Bloch, who with Gadi Golan is joint managing director of Corex, a management and investment company.

Corex was set up ten years ago by Bloch, who comes from South Africa, and by Golan, who was born here, to "fill a gap on the Israeli economic scene by representing foreign investors here." Since then, they have specialized in real estate rentals and have invested about $30 million, for 250 investors, only a few of whom are Israelis.

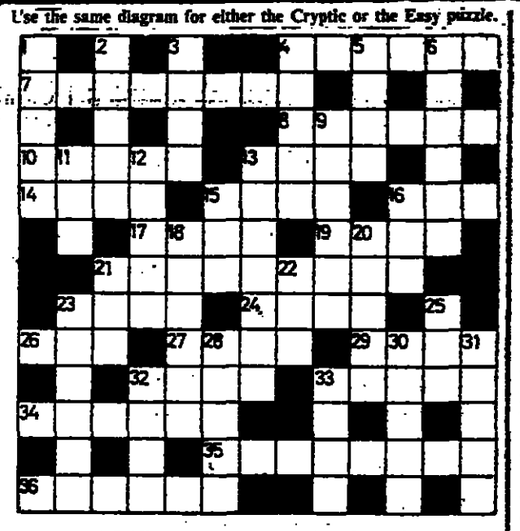
"Although we have about 50 investors from England and the U.S., we represent some 200 South Africans."

The latest group to invest through Corex put up $750,000 to build the recently opened squash courts in Herzliya. Of this sum, half came from Mendel Kaplan, a South African Zionist, who has several other large investments here. The other half was contributed by non-Jewish investors from South Africa, the Barrow brothers (there are four of them) and from Simon Malone. Both the Barrow brothers and Malone, who have many interests in South Africa, are also active in building squash courts in that country.

The squash courts in Herzliya already have 450 paid-up members.

TWO-IN-ONE CROSSWORD

Use the same diagram for either the Cryptic or the Easy puzzle.



CRYPTIC PUZZLE ACROSS

4 Where wine stocks are low, (6)
7 Match the figure of a goddess (3, 5)
8 Slender as the point of a weapon (6)
10 Fruit possibly less when cored (5)
13 James's word? (4)
14 A place to sing about when shamming (4)
15 Writer in a corner? (4)
16 Due to be heard afresh! (3)
17 A pet product for the gardener (4)
19 The trouble is, I'm surrounded by rubbish! (4)
21 To chuck out something to eat is surprising (9)
23 One girl's delights (4)
24 The French master is a very good man (4)
26 Danger is too much for him (3)
27 The thousand referred to (4)
29 A supporting player (4)
32 Servicemen going out East in waves (4)
33 Put on the boards (5)
34 Assorted spares in the armoury (6)
35 Will it get the job done by eleven? (8)
36 Fairly fair? (6)

DOWN

1 Smart as you like, mostly (5)
2 A team order understood to be right (5)
3 Those to a political house? (4)
4 Vessel in the form of a cone (5)
5 Jack, who might play "the Baron"? (4)
6 Just the bird to cave in possibly? (6)
9 One tidy bit of Ireland (6)
11 A good thing to keep (3)
12 And 13 Dead men with a glassy look (5, 7)
15 Incomparable standard? (3)
16 Woofer? (3)
18 Like chocolate eggs from a noted plant (6)
20 Wrong paint? (5)
21 Duck between the poles, boy! (3)
22 Beat up little Malcolm (3)
23 He's stony (6)
25 Like a cabin in Cologne (3)
28 Quick to start stacking hay outside (5)
30 Light on something silky (5)
31 Gregory's kisses? (5)
32 Season for arms talks (4)
33 Not the whole of Somerset (4)

EASY PUZZLE ACROSS

4 Grope about (6)
7 Plot together (8)
8 Squeezes out (6)
10 Scandinavian (5)
13 Unwanted plant (4)
14 Woody growth (4)
15 School period (4)
16 In favour of (3)
17 Noisy (4)
19 Close of a prayer (4)
21 Erred grossly (9)
23 Strong desire (4)
24 Vexes (4)
26 Hairpiece (3)
27 Scottish island (4)
29 Blackthorn fruit (4)
32 Cosy (4)
33 Binding (5)
34 Expresses indifference (6)
35 Three-sided figure (8)
36 Takes pleasure in (6)

DOWN

1 Aroma (5)
2 Trap (5)
3 Church recess (4)
4 Not so many (5)
5 Female servant (4)
6 Large military force (6)
9 Comment (6)
11 Mineral (3)
12 Vends (5)
13 Marriage ceremony (7)
15 Large cask (3)
16 Nourished (3)
18 Excursion (6)
20 Untidy (5)
21 Irritate, slang (3)
22 Age (3)
23 Moss-like growth
25 Male child (3)
28 Unseats (5)
30 Jargon (5)
31 White heron (5)
32 Japanese-style wrestling (4)
33 Hard wood (4)

Yesterday's Easy Solution

ACROSS.—1, Margin. 7. Evildoer. 8, Arts. 10. Parrot. 11, Assays. 14, Men. 16, Tiles. 17, Dust. 19, Later. 21, Resin. 22, Beast. 23. Lets. 26, Files. 28, Fit. 29, Editor. 30, Winner. 31, Aria. 32, Attended. 33, Engine.

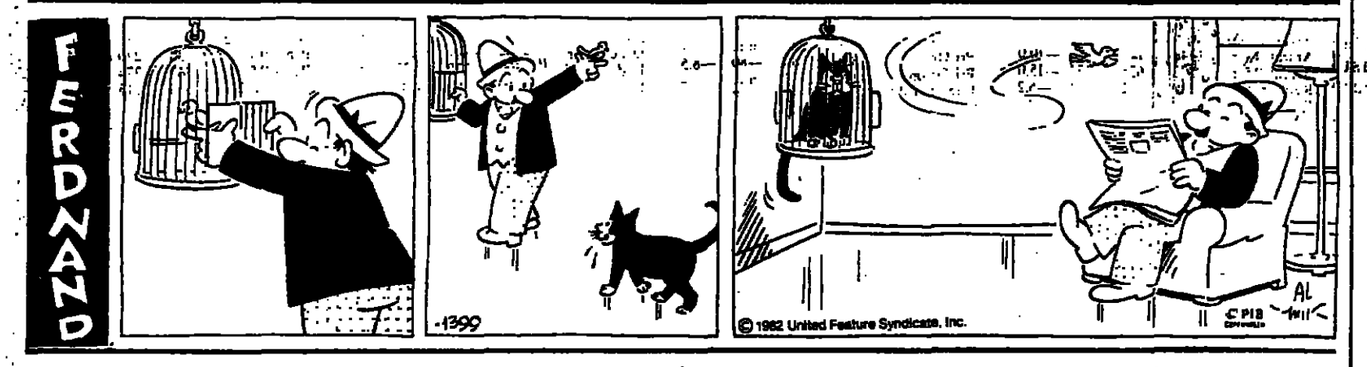
DOWN.—1, Mopped. 2, Garret. 3, Nest. 4, Glisten. 5, Moral. 6, Crass. 8. Arms. 9. Ton. 12, Sir. 13, Yeast. 15, Passe. 18, Undid. 19, Lea. 20, Tit. 21, Resound. 22, Bet. 23, Lining. 24, Etna. 25, Shrine. 26, Feral. 27, Lists. 28. Fir. 30, Wade.

Yesterday's Cryptic Solution

ACROSS.—1, Reward (rev). 7, Over-turn. 8, MA-il. 10, Stable. 11, Man-age. 14, GI-L. 16, Tonal. 17, Aria. 19, Pi-lot. 21, Caper. 22, Man-ia. 23, Deem. 26, Sagas (rev). 28, B-U-y. 29, Ap-ache. 30, Mode-RN. 31, Owls. 32, Composed. 33, Styles.

DOWN.—1, Red Sea. 2, Arabia. 3, Dole. 4, Creator. 5, Human. 6, Angel. 8, Magi. 9, Il-L. 12, No-t. 13, Ga-U-aze. 15, Pi-pi-t. 18, Re-cap. 19, Pan. 20, Lea. 21, C-ash-box. 22, MA-C. 23, Dudley. 24, E-yes. 25, Man-tis. 26, Sauce. 27, Ga-MM-y. 28, Bow. 30, Mods.

Solutions to today's puzzle tomorrow



WHAT'S ON

Notices in this feature are charged at IS120.70 per line including VAT. insertion every day costs IS2386.20 including VAT per month. Copy accepted at offices of The Jerusalem Post and all recognized advertising agents.

Jerusalem

MUSEUMS

Israel Museum. Exhibitions: Permanent Collection of Judaica, Art and Archaeology: Portables. From Museum collection of archaeology, ethnography, Judaica, art and design. Primitive Art from the Museum Collection; Open Eye, design by Sandberg; Touch, children's exhibition; Bezalel 1906-1929; Art of Bezalel Teachers; Tip of the Iceberg No. 1, 19th century French drawings and prints from Museum collection; Toys and Games of the Ancient World (Rockefeller Museum); Wonderful World of Paper (Paley Centre); Special Exhibits: Islamic Armour, Iran 17th-18th century (Rockefeller Museum); Japanese Miniature Sculpture, Netsuke and Inro, 18th-19th century; Hanukka Lamp, early 17th century, Poland; Model of Shrine, pottery 9th-8th century BCE; Small Figurines of Humans, Nahal Oren limestone figures, early Neolithic period; Clay Jug and Juglet, Middle Canaanite period IIA (early 2nd millennium BCE).

Visiting Hours: Main Museum 10-5. At 11: Guided tour in English. 3.30: Special guided tour of Archaeology Galleries. 3.30: "Chitty Chitty Bang Bang," children's film. 8.30: Film/Lecture Series, "Museum Without Walls." Crete and Mycenae. Introduction by Silvia Rosenberg, Dept. of Art History, Hebrew University.

CONDUCTED TOURS

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2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9 and 28 to last stop. Further details: Tel. 02-882819.

American Mizrachi Women. Free Morning tours — 8 Alkalai Street, Jerusalem. Tel. 02-699222.
809

Tel Aviv

MUSEUMS

Tel Aviv Museum. Exhibitions: City and Art: Dizengoff House: Tel Aviv, Early Photographs: East or West, Architecture in Israel 1920-1933; Collections: Israeli Art 1960-1980: Classical Art from the 17th and 18th centuries: Impressionism and Post Impressionism, 20th Century Art in Europe and the United States: Archipenko, Early Works (1910-1921). New Exhibition: Arman: Parade of Objects. Retrospective 1955-1982.

Helena Rubinstein Pavilion: Closed until opening of new exhibition.

CONDUCTED TOURS

American Mizrachi Women. Free Morning Tours — Tel Aviv, Tel. 220187, 243106.

WIZO: To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 89537

PIONEER WOMEN — NA'AMAT. Morning tours. Call for reservations: Tel Aviv, 256096.

Haifa

What's On in Haifa, dial 04-640840.

Rehovot

The Weizmann Institute. Grounds open to public from 8.00 a.m. to 3.30 p.m. Visitors invited to see audio-visual programme on Institute's research activities, shown regularly at 11.00 a.m. and 3.15 p.m. Friday 11.00 a.m. only.

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No visits on Saturdays and holidays.

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Tel Aviv: Beny, 174 Dizengoff, 222386. Kupat Holim Meuhedet, 15 Sprinzak, 265200.
Netanya: Kupat Holim Leumit, 9 Smilanski, 38053.
Haifa: Yavne, 7 Ibn Sine, 672288.

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Ashkelon 23333	Netanya 23333
Bat Yam 58555/6	Petah Tikva 912333
Beersheba 78333	Rehovot 054-51333
Eilat 72333	Rishon LeZion 942333
Hadera 22333	Safed 30333
Holon 80313314	Tiberias 20111
Nahariya 923333	

Rape Crisis Centre (24 hours), for help call Tel Aviv — 234819, Jerusalem — 810110, and Haifa — 88791.

"Eran" — Mental Health First Aid, Tel.: Jerusalem 669911, Tel Aviv 253311, Haifa 538-888, Beersheba 32111, Netanya 35316.

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EDUCATIONAL:
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CHILDREN'S PROGRAMMES:
17.30 3, 4, 5½
17.50 Soup and Me — children's drama
18.15 Cartoons
ARABIC-LANGUAGE programmes:
18.30 News roundup
18.32 Sports
19.27 Programme Trailer
19.30 News
HEBREW PROGRAMMES resume at
20.00 with a news roundup
20.03 Fame. Part 15 of a 16-part series based on the film about a New York performing arts school: The Big Finish
20.50 Stop — weekly road safety corner
21.00 Mabat Newsreel
21.30 Eight Thirty Plus — monthly cultural programme
22.00 This Is the Time — weekly interview show
22.50 Kay — weekly series about a lawyer who has just completed his legal studies while in prison: Who's on First and Sixth?
23.35 News
JORDAN TV (unofficial):
17.30 Cartoons 18.00 French Hour 18.25 (JTV 3) Little House on the Prairie 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 The Other Arf 21.10 Documentary 22.00 News in English 22.15 The Agatha Christie Hour

ON THE AIR

First Programme

6.11 Musical Clock
7.00 This Morning — news magazine followed by Morning Melodies
8.05 Rimsky-Korsakov: The Snowmaiden Suite (Ansermet); Schumann: Fantasie-Stuecke, Op.73; Mozart: Violin Concerto No.4, K.218 (Szeryng, Gibson); Weber: Flute Sonata in A-flat Major (Uri Shoham, Boris Berman); Shostakovich: Symphony No.6 (Leningrad, Svetlanov)
10.05 Schoenberg: Six Songs, Op. 8 (Anna Silia, von Dohnanyi); Debussy: Chants de Bilitis (Marie-Terese Ascribani); Scriabin: Sonata.
11.00 Sephardi Traditions
11.15 Elementary School Broadcasts
11.30 Education For All
12.05 Schein: Suite for 5 Recorders (Morlij: Ravel: Tombeau de Couperin (Plavin): Fauré: Trio, Op. 120 (Tel Aviv Trio)
13.00 Bing: Elisabethan Serenade: Liebermann: Concerto for Jazz Group and Symphony Orchestra (Chicago, Reiner); Lully: French Suite; Ravel: Bolero (Bernstein)
14.10 Children's programmes
15.30 World of Science (repeat)
15.55 Notes on a New Book
16.05 Haydn: String Quartet, Op.74, No.2 (Amadeus); Viotti: Violin Concerto No.24 (Rohan, Mackerras); Taneyev: Piano Quartet in E Major (Camilleri)
17.35 Programmes for Olim
20.05 Everyman's University
20.35 Gary Bertini conducts Radio Stuttgart Orchestra, with the Choirs of Radio Stuttgart and the South-Bavaria Radio; with Alfreda Hodgson, mezzo-soprano; Philip Langridge, tenor; Stephen Roberts, bass — Berlioz: Romeo and Juliet Dramatic Symphony, Op. 17
22.30 Reflections on the Portion of the Week by Rabbi Zephania Drori
23.00 Listen Carefully — discussion on works by Maderna, Berio and Bussotti
00.10 Choral Music — Works by and the life of Gesualdo

Second Programme

6.12 Gymnastics
6.22 Agricultural Broadcasts
6.35 Editorial Review
6.54 Green Light — drivers' corner
7.00 This Morning — news magazine
8.05 First Thing — with Ehud Manor
10.10 All Shades of the Network — morning magazine
12.05 Open Line — news and music
13.00 Midday — news commentary, music
14.10 Matters of Interest — introduced by Gabi Gazit
16.10 From Here to There — immigration matters
17.10 Magazine
17.25 Of People and Places
18.05 Religious Affairs Magazine
18.47 Bible Reading — Proverbs 24:17-34
19.00 Today — people and events in the news
20.10 Sabbath songs
22.05 Literary Magazine (repeat)
23.10 The Second Half — women's magazine

Army

6.06 Morning Sounds
6.30 Univesrity on the Air — Prof. Yosef Ben Shlomo lectures on the philosophy of Spinoza
7.07 "707" — with Alex Ansky
8.05 IDF Morning Newsreel
9.05 Right Now — with Rafi Reshef
11.05 Musical Requests — with Shira Gera
12.05 Israeli Winter — with Eli Yisraeli
13.05 One and to the Point — midday magazine
14.05 Two Hours — music, anecdotes, interviews and reviews
16.05 Four in the Afternoon — Hebrew songs
17.05 IDF Evening Newsreel
18.05 Army and Defence Magazine
19.05 Music Today — Music Magazine
20.05 Israeli Rock
21.00 Mabat Newsreel
21.35 University on the Air (repeat)
22.05 Popular songs
23.05 Personal Questions (repeat)
00.05 Night Birds — songs, chat with Yael Dan

ENGLISH LANGUAGE BROADCASTS
7.00, 14.00, 17.00, 20.00
Special daily features following the news at 14.00
SUN. Israel Mosaic — weekly magazine
MON. You're On the Air — Live phone-in
TUE. Mainstream — information and consumer magazine
WED. Forum — discussion
THUR. Studio Three — arts in Israel
FRI. Thank Goodness It's Friday — Sabbath eve programme
SAT. Weekend — people and events in the news
These broadcasts can be heard on the Fourth programme 738 kHz. In the Jerusalem area 675 kHz. In Central Israel 1026 kHz.

CINEMAS

JERUSALEM 4, 7, 9
Eden: Dashing Ahead; **Edison:** E.T. 4, 6.45, 9; **Habimah:** The Professionals 4, 6.30, 9; **Kfir:** Good Luck; **Mitchell:** Les Miserables 6.45, 9; **Orgil:** A Policewoman Called Louis; **Orion:** A Man With the Deadly Lens 4, 6.45, 9; **Oma:** S.O.B.; **Ron:** A Clockwork Orange 4, 6.30, 9; **Semadar:** Reds 8; **Binyenei Ha'uma:** Tempest 6.30, 9; **Israel Museum:** Chitty Chitty Bang Bang 3.30; Museum without Walls (film/lecture) 8.30; **Cinema One:** Endless Love 7; **The Graduate** 9; **Cinematheque:** The Border 7; Antonio das Mortes 9.30.

TEL AVIV 4.30, 7.15, 9.30
Allenby: Return of the Soldier; **Ben-Yehuda:** Poltergeist 4.30, 7, 9.30; **Chen 1:** E.T. 4.30, 7, 9.30; **Chen 2:** Missing 4.30, 7, 9.30; **Chen 3:** Ragtime 6.20, 9.15; **Chen 4:** Bedknobs and Broomsticks 4.30, 7.15, 9.30; Beau Geste 10.30 a.m., 1.30; **Chen 5:** Last Days of Love 4.15, 7, 9.35; Dona Flor and Her Two Husbands 10.30 a.m., 1.30; **Cinema One:** Endless Love; **Cinema Two:** closed; **Dekel:** Still of the Night 7.15, 9.30; **Drive-In:** Le Cadeau 9.30; Sex film, 12.15 midnight; **Esther:** Looker; **Gat:** Victor Victoria 4.15, 6.50, 9.30; **Gordon:** Tempest 4.30, 7, 9.30; **Hod:** Mother Lode; **Lev 1:** Night of San Lorenzo 1.30, 4.30, 7.15, 9.30; **Lev 2:** Hamsin 1.30, 4.30, 7.15, 9.30; **Limor:** Cat People 4.30, 7, 9.30; **Maxim:** Don't Give a Damn About Officers; **Mograbi:** Deer Hunter; **Orly:** A Little Sex; **Paris:** She Dances Alone 10, 12, 2, 4.30, 7.15, 9.30; **Peer:** Long Way Home; **Shahaf:** Private Popsicle 4.30, 7.15, 9.15; **Studio:** Just You and Me Kid; **Tchelet:** From Mao to Mozart; **Tel Aviv:** Best Little Whorehouse in Texas 4.30, 7, 9.30; **Tel Aviv Museum:** In for Treatment; **Zafon:** King of Comedy

HAIFA 4, 6.45, 9
Atzmon: Hamsin 6.45, 9; **Amphitheatre:** Silent Rage 6, 9; **Armon:** E.T.; **Atzmon A:** Policewoman Called Louis 4, 6, 9; **Chen:** La Passante de Sans Souci; **Galor:** Atlantic City U.S.A. 10, 2, 6; Squeeze 12, 4, 8; **Keren Or:** Nos at Seventeen; **Merkaz:** All That Jazz 6.45, 9; **Orah:** King of Comedy; **Orion:** Love in the Rain 10, 2, 4, 9; **Orly:** Victor Victoria 6.45, 9; **Peer:** Ragtime 6, 9; **Ron:** Lemon Popsicle 4 at 4, 6.30, 9; **Shavit:** Long Way Home.

RAMAT GAN
Armon: Grease II, 4, 6, 9; **Lev:** Return of the Soldier 7.15, 9.30; **Oasis:** Missing 9.30; The Professor from London 4; **Orion:** Private Popsicle 7.15, 9.30; **Rimon:** Gas: Casablanca 7.15, 9.30; **Klei Hamoshavim:** The Passenger 7.30, 9.30

HERZLIYA
Tiferet: Hanky Panky 7.15, 9.15

PETAH TIKVA
Shalom: The Dragon 7, 9

NETANYA
Esther: Private Popsicle 7, 9.15; **Ayalon:** Git Nemt Mein 5

HOLON
Migdal: The Jury 7.30, 9.30; **Argaman:** Superman 4.30; **Savoy:** Best Little Whorehouse in Texas 7, 9.30; **Tel Gordon** 4.30

RAMAT HASHARON
Star: The Godfather 6.15; La Passante de Sans Souci 9.30.

176 shares down by more than 5%

TEL AVIV. — The stock exchange yesterday suffered the second consecutive session of heavily falling prices. No fewer than 176 securities fell by more than 5%. Many fell by 10% and in some cases by even higher margins. In effect, more than one third of all securities dropped by the above margins. A full 107 shares were "sellers only" for the second session. (Separate story below).

The commercial bank shares continued to behave in admirable fashion, the majority coming through with moderate gains. IDB, Hapoalim and Leumi all showed gains of half of one per cent or better. Maritime Bank 0.1 was up by 1.2%. Union Bank and Mizrahi were unchanged. The latter came in support of its shares to the tune of more than IS112 million in the wake of heavy selling pressures. Danot 5.0 was "sellers only," as was the case with FIBI. The Finance and Trade Bank shares were both on the "sellers only" list.

Tel Aviv Stock Exchange

By JOSEPH MORGENSTERN

Insurance issues were broadly lower. Ararat 0.5 was the hardest hit and absorbed a 15% loss.

In the services group prices were sharply lower for the most part. Coral Beach responded to heavy selling pressures and declined by 15%. Both Super-Sol shares were 10% lower.

Baranowitz 5.0, was down by 15% in a sharply lower land development and real estate group. Shen-Har continued to slide and was down by more than 10%.

Industrials were clearly lower but less affected by the selling wave than other sectors. Alaska-Sportlife saw its 5.0 shares plummet by 14.9%. Gains ranging from 1.5 to 2.5% were eked out by Elbit and Elron Electronic Industries.

Bar-Ton 1.0 and Ackerstein 1.0 fell by more than 14%. Wardinon and its option was the best performer in the group. The former was up by 5.7% while the latter was scoring a 19% gain. Tromasbest, 5.0 joined the group of 15% losers. Taya and Lachish Industries 5.0 shares also were trounced and fell by 15% apiece.

Investment company equities also fell. The 1.0 shares of the Israel Corporation were "sellers only" for the second session. Landeco 0.1 was 15% down. Piryon was "sellers only."

The index-linked bond market was somewhat lower, volume was not unduly high.

Most active stocks

Mizrahi	843	1,3494.3	n.c.
IDB	2097	6,449.8	+10
Coral Beach	164	3,931.1	—29

Shares traded: IS 1,480.6m.
Convertibles. IS661.1m.
Bonds: IS 281.4m.

	Closing price	Volume IS1,000	Change	% change
Commercial Banks				
IDB p.	45500	1	+1500	+3.4
IDB r	2097	6,449	+10	+.5
IDB B r	3111	s.o.2	—164	—5.0
IDB p. A	12450	7	—50	—.4
IDB op 7	10750	1	+150	+1.4
Union r	2345	630	n.c.	—
Union op 4 r	8675	7	+400	+4.8
Discount r	3621	s o.2	—191	—5.0
Discount A r	2724	398	+10	+.4
Discount op 2	2225	202	—35	—1.6
Discount B	290	7,869	—9	—3.0
Mizrahi r	843	13,394	n.c.	—
Mizrahi b	843	1,013	n.c.	—
Mizrahi op 3	14100	1	+300	+2.2
Mizrahi op 10	3500	26	n.c.	—
Mizrahi op 11	1340	409	—70	—5.0
Mizrahi sc 6	6790	3	+40	+.6
Mizrahi op 7	5450	308	—50	—.9
Mizrahi sc 9	338	2,178	—16	—4.5
Maritime 0.1	8150	614	+100	+1.2
Maritime 0.5	2000	558	—50	—2.4
Hapoalim p. B	5370	—	—100	—1.8
Hapoalim r	3574	2,214	+24	+.7
Hapoalim b	3574	522	+24	+.7
Hapoalim op 7	11782	5	+190	+1.6
Hapoalim op 13	2770	549	—30	—1.1
Hapoalim sc 6	7510	4	+40	+.5
Hapoalim sc 8	5351	—	n.c.	—
General A	8300	80	+69	+.8
General op 6	16300	1	n.c.	—
General op 8	7527	12	+450	+6.4
General sc 5	2350	29	n.c.	—
General 7	238	861	+11	+4.9
Leumi	1832	2,783	+12	+.7
Leumi op 4	9650	1	n.c.	—
Leumi op 13	1295	1,437	—15	—1.2
Leumi sc 9	1240	226	+12	+1.0
Leumi sc 11	337	2,192	n.c.	—
OHH r	3100	58	—30	—1.0
Finance Trade 1	3414	s.o.2	—180	—5.0
Finance Trade 5	1941	s.o.2	—102	—5.0
Finance Tr. op	1585	17	—215	—11.9
N. American 1	2929	253	n.c.	—
N. American 5	2035	238	n.c.	—
Danot 1.0	1702	159	—6	—.4
Danot 5.0	505	s.o.2	—27	—5.1
Danot sc 2	828	96	—3	—.4
First Int'l 5	1576	2,447	n.c.	—
FIBI	3097	s.o.1	—163	—5.0
Mortgage Banks				
Adunim 0.1	1300	18	n.c.	—
GenMortgage r	1565	907	—65	—4.0
GenMortgage b	1690	—	—	—
Carmel r	3240	s.o.1	—171	—5.0
Carmel op A	8046	s.o.1	—854	—9.6
Binyan	1100	33	n.c.	—
DevMortgage r	840	492	—40	—4.6
DevMortgage b	1000	8	—50	—4.8
Mishkan r	4662	1,978	—518	—10.0
Mishkan b	5100	1	—120	—2.3
Independence	4800	6	—100	—2.0
Indep. op 1	3600	1	+500	+16.1
Tefahot p. r	4600	21	—107	—2.3
Tefahot r	4572	s.o.1	—241	—5.0
Tefahot b	4600	15	—100	—2.1
Tefahot 2%	7820	45	+50	+.6
Tefahot op A	3150	33	—50	—1.6
Tefahot op B	513	s.o.1	—27	—5.0
Tefahot d 1.	162	2,128	—3	—1.8
Merav r	2040	s.o.2	—107	—5.0
Financing Institutions				
Shilton r	824	s.o.2	—43	—5.0
Shilton op B	2732	s.o.1	—154	—5.3
Shilton sc 1	—	—	—	—
Shilton sc 2	—	—	—	—
Otzar Lat. r	1134	1,556	—126	—10.0
Otzar Lat. b	1325	s.o.1	—70	—5.0
Contractors C.	473	619	—83	—14.9
Agriculture A	14550	3	—1000	—6.4
Ind. Dev. p. r.	7600	6	n.c.	—
Clal Lease 0.1	1341	19	—149	—10.0
Clal Lease 0.5	622	—	—33	—5.0
Clal Lease op B	541	32	—60	—10.0
Clal Lease sc 1	254	180	—25	—9.0
Insurance				
Aryeh r	1895	s.o.2	—100	—5.0
Aryeh op	60000	6	—9000	—13.0
Aryeh op B	1070	401	—69	—6.1
Aryeh sc 1	1935	16	—215	—10.0
Ararat 0.1 r	1448	116	—160	—10.0
Ararat 0.5 r	872	624	—154	—15.0
Reinsur. 0.1 r	3130	2	—171	—5.2
Reinsur. 0.5 r	2050	44	—45	—2.2
Reinsur. op 1	1800	40	—75	—4.0
Hadar 1.0	890	31	—51	—5.4
Hadar 5.0	510	203	—52	—9.3
Hadar op 1	392	9	—55	—12.3
Hassneh r	4760	s.o.1	—250	—5.0
Hassneh b	4760	s.o.1	—250	—5.0
Hassneh op 3	4440	s.o.1	—250	—5.3
Phoenix 0.1 r	4500	123	n.c.	—
Phoenix 0.5 r	2847	3	—316	—10.0
Hamishmar	384	s.o.2	—20	—5.0
Hamishmar	310	s.o.2	—16	—4.9
Hamishmar op	354	30	+28	+8.6
Yardenia 0.1 r	1652	s.o.2	—87	—5.0
Yardenia 0.5 r	713	76	n.c.	—
Yardenia op 1	1380	14	+123	+9.8
Menora 1	2705	43	—40	—1.5
Menora 5	1250	49	—95	—7.1
Sahar r	1760	209	n.c.	—
Securitas r	748	s.o.1.	—39	—5.0
Zur r	2400	32	—250	—9.4
Zur op 2	2280	11	—140	—5.8
Zion Hold. 1.0	817	s.o.2	—43	—5.0
Zion Hold. 5.0	294	129	—20	—6.4
Services & Utilities				
Galei Zohar 1	310	89	—10	—3.1
Galei Zohar 5	169	75	n.c.	—
Galei Zo. op 1	150	80	—19	—11.2
Data Mikun	572	102	+14	+2.5
Delek r	5400	15	n.c.	—
Delek b	6606	3	—734	—10.0
Harel 1	367	354	+2	+.6
Harel 5	219	72	—10	—4.4
Harel op 2	179	33	—1	—.6
Lighterage 0.1	9200	s.o.1	—484	—5.0
Lighterage 0.5	7638	s.o.1	—402	—5.0
Cold St. 0.1 r	2e900	1	—2100	—7.2
Cold St. 1.0 r	10800	25	n.c.	—
Israel Electric	—	—	—	—
Dan Hotels 1	430	179	—34	—7.3
Dan Hotels 5	277	213	n.c.	—
Coral Beach	164	3,931	—29	—15.0
Coral B. op 1	163	224	+14	+9.4
Teta 1	722	s.o.2	—38	—5.0
Teta 5	365	s.o.2	—19	—5.0
Teta op	286	496	n.c.	—
Magor 0.1	2889	5	n.c.	—
Magor 0.5	975	85	+13	+1.4
Magor op 1	2270	5	n.c.	—
BondWare 0.1	1372	s.o.2	—72	—5.0
BondWare 0.5	705	s.o.2	—37	—5.0
BondWare op	561	s.o.1	—39	—6.5
Yahalom	233	2,853	+21	+9.9
Nikuv 1.0	1000	51	+49	+5.2
Nikuv 5.0	801	21	+70	+9.6
Nikuv op 1	714	12	+10	+1.4
Consortium	1654	b.o.1	+79	+5.0
Consortium op	1651	3	—50	—2.9
Crystal 1	1660	34	+40	+2.5
Rapac 0.1	1980	4	—	—
Rapac 0.5	471	358	+11	+2.4
Supersol 2	5733	623	—637	—10.0
Supersol 10	2010	848	—223	—10.0
Supersol op B	1879	3	—1	—.1
Land, Building, Citrus				
Oren	435	478	—40	—8.4
Oren op 1	870	37	—100	—10.3
Azorim Invest.	398	1,075	—44	—10.0
Azorim r	467	644	—2	—.4
Azorim op C	4090	5	n.c.	—
Azorim op D	1024	3	20	+2.0
Azorim op E	403	221	n.c.	—
Africa Isr. 0.1	5900	34	n.c.	—
Africa Isr. 1.0	4690	33	n.c.	—
Africa op 2	3261	15	—240	—6.9
Arledan 0.1	1132	—	—60	—5.0
Arledan 0.5	292	460	—8	—2.7
Arled. op A	766	2	—22	—2.8
Ben Yakar 1	1510	110	+7	+.5
Ben Yakar op	1520	85	n.c.	—
Baranovitz 1	284	s.o.2	—15	—5.0
Baranovitz 5	170	564	—30	—15.0
Baranovitz op	127	376	+1	+1.2
Dankner 1	340	769	—16	—4.5
Darad 0.1	400	69	—5	—1.2
Darad 0.5	201	77	n.c.	—
Darad op 1	1500	1	—15	—1.0
Darad op 2	305	20	n.c.	—
HLB 0.1	405	51	—45	—10.0
HLB 0.5 r	210	705	n.c.	—
Property Bldg	1984	1,100	—221	—10.0
Bayside 0.1	2893	s.o.1	—152	—5.0
Bayside 0.5	1700	72	—50	—4.5
Bayside op B	2980	1	—20	—.7
ILDC r	4500	181	—130	—2.8
ILDC no div.	4730	10	n.c.	—
ILDC b	4500	20	—250	—5.3
ILDC op 6	3800	13	—150	—3.8
ICP r	466	s.o.2	—25	—5.1
Ispro r	1444	s.o.2	—76	—5.0
Isralom	547	527	—10	—1.8
Isras b	701	371	+1	+.1
Isras op 1	600	54	+10	+1.7
Cohen Dev.	255	93	n.c.	—
Cohen Dev. op	205	25	+5	+2.5
Lumir 1	398	s.o.2	—21	—5.0
Lumir 5	155	1,260	—17	—9.9
Lumir op. 1	130	791	—1	—1.1
M.T.M. 1	2970	54	+270	+10.0
M.T.M. 5	1630	13	+10	+.6
M.T.M. op 1	1770	6	n.c.	—
Mehadrin r	1000	14	—600	—5.2
Modul Beton	2754	204	—306	—10.0
Mishnael 5	601	136	—22	—3.5
Mar-Lez 1	272	325	+25	+10.1
Mar-Lez op	160	73	—5	—3.0
Meshulam 1	814	52	+40	+5.2
Meshulam 5	379	s.o.2	—20	—5.0
Mesh. op 1	345	125	n.c.	—
Lifschitz 1	276	2,004	+3	+1.1
Lifschitz 5	194	2,927	n.c.	—
Lifschitz op	136	554	—2	—1.5
Neot Aviv	1895	27	—200	—9.6
Nichsei Hadar	890	1,160	—95	—9.6
Solel Bon. p. A	6840	79	n.c.	—
Pri Or	864	80	—80	—8.5
Pri Or op	1121	5	n.c.	—
Caesarea 0.1	1886	s.o.2	—99	—5.0
Caesarea 0.5	283	312	—46	—14.0
Rogovin 1	388	236	+18	+4.9
Rogovin 5	299	222	+14	+4.9
Rogovin op	144	58	+9	+6.7
Rassco p. r	1050	324	—57	—5.2
Rassco r	917	405	n.c.	—
Rassco op	765	120	—80	—9.5
Industrials				
Agan Chem.	700	867	—27	—3.7
Baruch 1	406	114	+26	+6.5
Baruch 5	300	78	n.c.	—
Baruch op	189	20	n.c.	—
Urdan 0.1 r	—	—	—	—
Urdan 0.5 r	—	—	—	—
Atlantic 1	195	348	+6	+3.2
Atlantic op 1	129	95	+4	+3.2
I.P.Building	379	s.o.2	—20	—5.0
Elbit 3.0 r	11150	23	+150	+1.4
Elbit op	10000	7	n.c.	—
Alumit 1	600	113	+40	+7.1
Alumit 5	400	30	n.c.	—
Alumit op	301	28	n.c.	—
Alliance	—	—	—	—
Alaska Sport 1	940	11	—104	—10.0
Alaska Sport 5	445	29	—78	—14.9
Alaska S. op 1	660	1	—5	—.8
Elco 0.1	1605	13	+40	+2.6
Elco 0.25 r	725	284	+7	+1.0
Elco 0.25 b	1391	s.o.2	—73	—5.0
Elco op B	1655	—	n.c.	—
Elco d 1	5067	—	—	—
Alkol	371	122	+34	+10.1
Alkol op 1	210	76	—30	—12.5
Electra 0.1 r	4050	147	—450	—10.0
Electra 0.5 r	1163	752	—209	—15.0
Electra op 3	2203	s.o.1	—147	—6.3
Electra op 4	800	98	—50	—5.9
Elron	20400	12	+500	+2.5
Ackerstein 1	400	1,301	—66	—14.2
Ackerstein 5	288	714	—32	—10.0
Argaman p.r.	1977	4	—180	—8.3
Argaman r	1997	18	—60	—2.9
Irith	1700	362	+5	+.5
Irith op	1660	39	+50	+3.1
Ata B 1.0	—	—	—	—
Ata C 0.1	—	—	—	—
Tadir 1.0	3299	59	+33	+1.0
Tadir 5.0	1206	61	—134	—10.0
Tadat op 1	2617	s.o.2	—141	—5.1
Bar-Ton 1	413	129	—73	—15.0
Bar-Ton 5	200	222	—11	—5.2
Bar-Ton op	127	92	n.c.	—
Goldfrost 1.0	—	—	—	—
Goldfrost 5	—	—	—	—
Goldfrost op	—	—	—	—
Gal Ind. 1.0	1174	133	n.c.	—
Gal Ind. 5.0	445	51	n.c.	—
Gal Ind. op 1	801	—	—19	—2.3
Galil Tech. 1	277	936	—30	—9.8
Galil Tech. op	204	262	—4	—1.9
Dubek p. r	3350	19	+200	+6.4
Dubek p. b	3195	6	n.c.	—
Delta Galil 1	549	277	n.c.	—
Delta Galil 3	325	542	—16	—4.7
Delta Gal. op 2	525	142	+25	+5.0
Dafron 1	350	75	—18	—4.9
Dafron 5	171	60	—19	—10.0
Dafron op	140	41	+3	+2.2
Dexter Chem.	371	s.o.2	—19	—4.9
Dexter op A	214	386	+11	+5.4
Fertilizer 0.1	1139	s.o.1	—60	—5.0
Fertilizer 0.5	461	19	+1	+.2
Cables r	1848	49	—180	—8.9
Cables b	1870	3	—62	—3.2
Hamashul 1	440	223	—28	—6.0
Hamashul 5	296	584	n.c.	—
Hamashul op	188	153	n.c.	—
Hatehof 1.0	423	155	n.c.	—
Hatehof 5.0	294	62	—1	—.3
Hatehof op 1	713	26	+93	+15.0
Vitalgo 1	499	460	+25	+5.3
Vitalgo 5	336	260	+30	+9.8
Vardinon	350	420	+19	+5.7
Vardinon op	244	147	+39	+19.0
Zikit 1.0	869	b.o.1	+41	+5.0
Zikit 5.0	350	69	n.c.	—
Zikit op A	176	17	—6	—3.3
Pri-Ze 1	670	s.o.2	—35	—5.0
Pri-Ze 5	430	ws.o.2	—23	—5.1
Pri-Ze op	475	s.o.1	—24	—48
Haifa Chemicals	2000	241	—100	—4.8
Teva r	2100	158	+8	+.4
Teva b	2100	8	—110	—5.0
Teva db 3	488	55	—40	—7.6
Tempo 1.0	490	142	—33	—6.3
Tempo 5.0	420	36	n.c.	—
Tempo op 1	345	86	+10	+3.0
Tempo op 2	151	n.c.	—	—
Tromasbest 1	2850	s.o.1	—150	—5.0
Tromasbest 5	1304	153	—230	—15.0
Trom. op 1	2940	2	—50	—1.7
Yaeh	2046	s.o.2	—107	—5.0
Yaeh op	1866	s.o.1	—114	—5.8
Yomar 1	1317	6	+35	+2.7
Yomar 5	1314	b.o.1	+62	+5.0
Yitzhar 1	300	136	+19	+6.8
Yitzhar 5	222	136	—1	—5
Yitzhar op 1	168	46	—1	—.9
ZionCables 1	4400	31	—483	—9.9
ZionCables 5	915	134	—35	—3.7
ZionCables op	585	10	n.c.	—
Clal Electronics	2835	102	—315	—10.0
Lodzia 0.1	2300	1	+20	+.9
Lodzia 0.4	700	174	—38	—5.2
Modul Ind.	379	104	—1	—.3
Wolfman 1	1200	8	n.c.	—
Wolfman 5	680	—	+37	+5.8
Molett B r	2061	22	—229	—10.0
Man 1.0	1250	3	+50	+4.2
Man 5.0	550	48	n.c.	—
Zika 1	1560	14	—173	—10.0
Zika 5	1385	39	—154	—10.0
Zika op 1	1016	33	—243	—19.3
Dead Sea r	4204	s.o.1	—221	—5.0
Kadamani 1	509	220	—33	—6.1
Kadamani 5	300	68	n.c.	—
Kadam. op A	195	13	+1	+.5
AIPM r	3350	50	n.c.	—
Assis	2190	266	—243	—10.0
Petrochemicals	198	s.o.2	—10	—4.8
Maquette 1	1608	s.o.1	—84	—5.0
Maquette 5	598	68	n.c.	—
Maq. op A	920	7	—15	—1.6
Nechushtan 0.1	638	95	—38	—5.6
Nechushtan 0.5	291	258	+16	+5.8
Nechushtan op	216	52	+5	+2.4
Neca Chem.	339	300	—55	—14.0
Sano 1	1530	26	+70	+4.8
Sano 5	1100	12	n.c.	—
Sunfrost	453	567	—79	—14.9
Spectronix 1	1240	91	n.c.	—
Spectronix 5	635	417	—71	—10.1
Spect. op 1	571	165	—70	—10.9
Ayit 1	8426	74	n.c.	—
Ayit 5	3386	226	—376	—10.0
Ayit op	3075	19	+60	+2.0
Elite r	3700	755	—300	—7.5
Arad r	—	—	—	—
Arad op 1	358	149	n.c.	—
Feuchtwanger 1	773	s.o.2	—41	—5.0
Feuchtwanger 5	547	s.o.2	—29	—5.0
Feucht. op 1	545	7	—8	—1.5
Polgat 0.1	3600	3	+280	+8.4
Polgat 0.4	1580	950	—120	—7.1
Polygon r	1100	8	n.c.	—
Pollak 1	774	321	—100	—11.4
Pollak 5	439	—	—23	—5.0
Pollak op 1	352	53	+4	+1.2
Pecker Steel	931	189	—104	—10.1
Pecker op A	2150	3	—50	—2.3
Elgar r	897	61	n.c.	—
Cyclone 1	375	189	—55	—12.8
Cyclone 5	290	71	+20	+7.4
Cyclone op	508	30	+22	+4.5
King 1	320	26	n.c.	—
King 5	245	30	—7	—2.8
King op 1	3060	26	n.c.	—
Kli 1.0	1377	19	n.c.	—
Katz. Adler 1	522	319	—58	—10.0
Kat. Adler 5	411	311	—9	—2.1
Kat. op	251	44	+6	+2.5
Rim 0.1 r	858	15	—95	—10.0
Rim 0.4 r	490	94	—10	—2.0
Schoellerina	3159	s.o.2	—166	—5.0
Shemen p. r	7500	3	+297	+4.1
T.A.T. 1.0	1001	s.o.2	—53	—5.0
T.A.T. 5.0	604	106	n.c.	—
T.A.T. op 1	595	101	—65	—9.9
Tagal 1	385	67	+5	+1.3
Tagal 5	253	27	+20	+8.6
Tagal op	169	13	+7	+4.3
Taya	605	83	—107	—15.0
Taya op 1	1670	4	+40	+2.5
Taya op 2	475	25	—25	—5.0
Taal B r	522	272	n.c.	—
Frutarom r	630	158	—75	—10.6
Lachish 5	728	190	—128	—15.0
Lachish 1	518	87	—28	—5.1
Lachish op	601	—	—22	—3.5
Rogosin 1	201	611	—5	—2.4
Taro Phar.	620	46	+1	+.2
Investment & Companies				
Unico r	1663	85	—294	—15
Unico b	2184	s.o.1	—115	—5
IDB Dev. r	2040	5,697	—60	—2.9
IDB Dev. op 2	1500	10	—180	—10.7
Incoba	578	253	—40	—6.5
Elgar r	9938	s.o.2	—523	—5
Elgar b	9047	s.o.1	—476	—5
Ellern r	3480	24	—100	—2.8
Ellern b	3462	27	—200	—5.5
Amissar p.	4649	s.o.2	—245	—5
Amissar op	6700	1	n.c.	—
Afik 1.0	1508	36	n.c.	—
Afik 5.0	1035	12	n.c.	—
Afik op	850	5	—50	—5.6
Central Trade	8019	105	+729	+10
Israel Corp. 1	2787	s.o.2	—147	—5
Israel Corp. 5	917	318	n.c.	—
Inv. Paz r	3940	32	—72	—1.8
Inv. Paz b	6207	s.o.1	—327	—5
Wolfson 0.1	33612	1	—3735	—10
Wolfson 1 r	7006	45	—500	—6.7
Wolfson 1 b	—	—	—	—
Ampa r	4225	190	+45	+1.1
Ampa op 1	7250	44	n.c.	—
Disc. Invest. r	1700	729	—144	—7.8
Disc. Invest. b	1800	30	—100	—5.3
Disc. op E	3300	3	—100	—2.9
Disc. i.d. 135	5300	—	—	—
Hapoal. Inv. r	10483	s.o.2	—552	—5
Hapoal. Inv. b	10894	—	n.c.	—
Leumi In. r	1450	224	—50	—3.3
Jordan Ex. A r	—	—	—	—
Jordan Ex. op	—	—	—	—
Jordan E. op 2	—	—	—	—
Jordan op 4	—	—	—	—
Mizrahi Inv. r	1130	28	—60	—5
Mizrahi Inv. b	1220	3	—100	—7.6
Mizrahi d. 122	204	125	—23	—10.1
Mizrachi d. 124	221	50	—25	—10.2
Clal Trade	1544	443	+1	+.1
Clal Tr. op B	5600	—	n.c.	—
Clal Tr. op C	1040	111	—30	—2.8
Export r	615	68	+2	+.3
Export b	—	—	—	—
Koor p.	—	—	—	—
Clal Real Estate	695	1,002	—70	—9.2
Clal op D	725	434	—3	—.4
Clal Israel	4390	280	—100	—2.2
Clal Israel 50	4300	42	n.c.	—
Clal Industry	1124	1,263	n.c.	—
Clal Ind. op	3965	46	—130	—3.2
Clal Ind. op C	911	182	+27	+3.1
Landeco 0.1	1091	305	—192	—15
Landeco 0.5	725	218	n.c.	—
Sahar Hold. 1.0	1083	109	n.c.	—
Sahar Hold. 5.0	715	159	n.c.	—
Oz Inv. 0.1	5625	63	+450	+8.7
Oz Inv. 0.5	1309	s.o.2	—69	—5
Oz Inv. op 1	5150	14	—300	—5.5
Oz Inv. op 2	1019	56	—110	—9.7
Pama 0.1	930	270	—64	—6.4
Pama 0.5	560	274	—19	—3.3
Pama op 2	656	513	n.c.	—
Pama op 1	360	276	—15	—4
Piryon	1027	s.o.1	—54	—5
Fuel & Exploration				
Delek Explo. 1	347	86	n.c.	—
Delek Explo. 5	208	136	—22	—9.6
Delek op 1	176	120	+10	+6
Oil E. Paz	1207	462	—134	—10
Oil E. op 2	1100	165	—51	—4.4
Teroil 1	163	774	—22	—11.9
Teroil 5	104	1,851	n.c.	—
Teroil op 1	109	248	+8	+7.9
JOEL	133	327	n.c.	—
JOEL op 1	113	63	+2	+1.8
Fedoil r	582	s.o.1	—31	—5.1
N. Amer. 1	312	173	n.c.	—
N. Amer. 5	158	327	—17	—9.9
N. Amer. op	170	96	—4	—2.3
Naphta r	44550	1	n.c.	—
New Listings				
Yahalom op	171	407	+1	+.6
Agan Chem op	482	287	+2	+.4
Clal Israel op 1	2360	47	+140	+6.3
Shen-Har 5	225	663	—26	—10.4
IDB op 11	1500	247	n.c.	—

These stock prices are unofficial

Abbreviations:

s.o.	sellers only	n.c.	no change
b.o.	buyers only	r	registered
d	no dividend	b	bearer
c	no coupon	pref.	preferred
x	no bonus	op.	option
r	no rights	deb.	debenture

Put 'limit' when selling

Post Finance Reporter

TEL AVIV. — The general manager of the Tel Aviv Stock Exchange, Yosef Nitzani, warned yesterday that in keeping with exchange regulations shares registered for the previous two consecutive sessions as "sellers only" will today trade without any price limitation. He cautioned that investors placing selling orders for any of the following 40 securities should do so only with a "price limit."

The consequence of not doing so may result in prices being established several tens of per cent lower than yesterday, he said.

For the convenience of our readers we list these 40 securities:

IDB 'B'	Hamishmar- 5.0
Discount 'B'	Yardenia 0.1
Mimun 1.0	Zion Holding 1.0
Mimun 5.0	Teta 1.0
Merav	Teta 5.0
Shilton (R)	Cold Bonded 1.0
Clal Leasing 0.5	Cold Bonded 5.0
Aryeh	Danot 5.0
Ispro	I.E. Industries
Lumir 1.0	Elco 0.25
Levinstein 5.0	Dexter 1.0
Arledan 0.1	Pri-Ze 1.0
Caesaren 0.1	Pri-Ze 5.0
Elgar (R)	Tadir cement opt.
Amissar	Yach
Israel Corp. 1.0	Petrochemicals
Hapoalim inv.	Feuchtwanger 1.0
Oz 0.5	Pollak 5.0
Baranowitz 1.0	T.A.T. 1.0
ICP	Schoellerina

Multiple appointment at Bank Leumi

TEL AVIV. — Yosef Rosh, joint general manager of Bank Leumi, has been appointed to the following additional posts: deputy board chairman of Union B

Ari Rath
Editor and
Managing Director

THE JERUSALEM POST

Erwin Frenkel
Editor

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Shvat 10, 5743 • Rabi-Thani 10, 1403

Dissent and the law

THE ORGANIZATION known as the PLO is a terrorist organization committed to the destruction of the Jewish state. That Israel's government should have anything officially to do with the PLO, so long as it has not renounced terrorism as a chosen means and the elimination of Israel as its cherished end, is inconceivable. That any private Israeli citizen should have dealings with this PLO is highly undesirable.

Prohibitions on contacts with the PLO should, however, be subject to the rule of reason.

Over the years, Israel's government has on more than one occasion established a line of communication to the PLO. Last year, a short-lived cease-fire was concluded in Lebanon which, though worked out through intermediaries and ostensibly made with the authorities in Beirut, was in fact an agreement with the PLO. The present administration has lately been seeking, through the agency of ex-Knesset member Arye Eliav, a leading "dove," to secure an arrangement for the release of Israeli soldiers taken prisoner by the PLO in the Lebanese war.

Such contacts, dictated by dire need, did not amount to formal recognition. They did not undermine the moral cogency of Israel's insistence that the international community, or at least the Free World, should boycott the terrorist PLO. Nor did they affect the right of Israel's government to urge private Israeli citizens to avoid the PLO like the plague.

Nevertheless, private Israeli citizens who fail to heed the government's advice do not thereby breach the law, unless they at the same time uphold terrorism and compromise the state's security. The fact is that to date no ground has been found to charge Israelis who admitted to contacting PLO "enemy agents" with a breach of the law.

Last week's meeting between three Sheli leaders who also head the Council for Israel-Palestine Peace and Yasser Arafat has, however, caused an uproar in high places. If such a meeting is not at the moment a punishable offence, a number of cabinet ministers have suggested it should be made so by the Knesset. Knesset Speaker Menachem Savidor has indicated his assent when he inquired how Israel could expect the world to understand it when people of the stature of the three Sheli leaders meet with "chief murderer" Arafat.

Mr. Savidor appears to believe that the world will better understand Israel's position if such meetings as the one by the Sheli trio are made punishable by jailing. This seems rather unlikely. The world is more likely to wonder why the punishment of persons who stray from the national consensus is not left, in a democratic country, to the electorate on polling day.

The world may also ask whether the official consternation in Jerusalem over last week's tete-a-tete in Tunis, where it evidently took place, was not due to the Likud government's fear that the PLO might stage a sharp turn towards genuine moderation and respectablility.

A PLO thus transmogrified would indeed be a grave embarrassment to a government which, in its own twist on the national consensus, has made it clear that it would not deal with the PLO under any conditions whatsoever. Such a government cannot very well argue that the Sheli leaders should have refused to talk to Yasser Arafat until he actually scrapped the Palestinian Covenant. It can only threaten punishment for the recurrence of such conversations.

Fortunately there are some voices within the government, notably in the Justice Ministry, that are counselling against a hasty amendment of the criminal law to suit a political exigency. Let these voices prevail.

POSTSCRIPTS

P.S. THE MAN in Havana was Fidel Castro, the visitor was novelist Graham Greene and the subject was Russian roulette.

Greene, 78, told how he often diced with death as a 19-year-old, and each time won the game of chance with a partly loaded revolver.

Castro did some mental calculations. He turned to the famed English writer with a look of astonishment and said, "According to the estimate of probabilities, you should be dead."

Greene smiled and replied, "Well, I always was bad at mathematics."

The story of the recent encounter was reported by *The Times* of London. Its source was Colombian novelist Gabriel Garcia Marquez, the 1982 Nobel Prize winner for literature, who is a friend of both men and was on hand in Havana when Castro and Greene met.

*

P.S. OUR NEIGHBOUR in Jerusalem's Old City reports that her six-year-old's delight with the recent heavy snowfall was marred by the child's concern for the welfare of a donkey.

The donkey is the delivery vehicle of an old Arab who sells kerosene in the neighbourhood. When the child saw the poor beast tethered in the snow and laden with jerrycans, the little girl ran inside to ask her mother for a blanket for the animal. Mother assured the girl that the donkey was not, as the girl declaimed, "freezing into a statue."

She added that the animal was well equipped to withstand the cold, and observed that the child's sympathy would be better directed to the poor old man who had to trudge about in the snow lugging kerosene.

The little girl pondered this for a moment, and then contradicted her mother. "No, she said, "it's twice as bad for the donkey." Why was that? Mother asked. "The man only has two feet in the snow. The donkey has four."

*

P.S. VOLUNTARY work by a pupil at the Henrietta Irwell Technical High School in Haifa changed the life of a baby boy who had been put in a child-care hostel after his father had abandoned him and his mother.

Allon was just 15 months old when Salit Sadan took him under her wing in 1978 as her community project, which is part of the school's curriculum. She visited the boy at the hostel where she fed and played with him for a few hours at a time.

During the next two years, Salit regularly took him home to spend weekends with her family in Ramat Yishai, near Kiryat Tivon. The family became so attached to Allon that when Salit finished school, they applied and were given permission to become foster parents.

A spokesman for the school said Allon is now happily settled in his new home and is attending kindergarten. He also has monthly visits from his natural mother, who remains very attached to him, the spokeswoman said.

D.R.

A CHALLENGE FOR ZIONISM

By MAX M. FISHER

MUCH HAS BEEN written about the accomplishments and failings of the recent World Zionist Congress in Jerusalem. Since the WZO is an equal partner with the central fund-raising organizations of the Diaspora in the Reconstituted Jewish Agency, the congress admittedly has an impact on the Agency's future. There is, however, a legal and functional separation between the two bodies.

The WZO is assigned responsibility for the fulfilment of classical Zionist programmes, such as immigration from the Free World, Hebrew education, and youth work in the Diaspora. The Jewish Agency is assigned responsibility for immigration from countries of distress, initial absorption, youth care and training, absorption in agricultural settlements and selective social programmes in Israel.

The policy-making body of the Jewish Agency is the Board of Governors whose chairman and 50 per cent of its members are, by agreement, community leaders from the Diaspora. The other 50 per cent of the board is comprised of the members of the WZO Executive who are elected at the World Zionist Congress. The Zionist Congress, strictly speaking, relates to the activities of the WZO departments, not to those of the Agency.

From the very outset of "reconstitution" we established the guideline that WZO party considerations are irrelevant to the Agency's operation. By agreement and convention, the selection of the Chairman of the Executive and all Agency department heads, including their respective directors-general, is subject to the consultation and consent of the Diaspora partners in the Jewish Agency and are elected by the Agency's Board of Governors.

This process of consultation and consent was implemented at the 29th World Zionist Congress held in 1978 and was continued at the 30th Congress held last December in Jerusalem. In fact, I appointed a representative team of Diaspora leaders who attended the 30th Congress and who conveyed, clearly and firmly, the opinions and consensus of their colleagues concerning all candidates for Agency portfolios. I have personally been involved in long negotiations which confirm this fight and practice.

We can be proud of the calibre of our departmental civil service. Each director-general now in office was selected by a search committee of the Agency board. In a few months the current Director-General of Project Renewal will leave for a position in private industry. A search committee of the Board of Governors is now in the process of interviewing candidates for this top professional administrative post. It is clearly understood by all concerned in Israel that competence and not any other consideration will be the basis for the selection of a new director-general of Project Renewal.

I am concerned, however, by misleading information which has appeared regarding the Agency's budgetary process and the controls asserted by contributors to the annual campaign. The Agency has established a procedure which begins with the Jewish Agency Executive, including leaders of the UJA and Keren Hayesod, in determining the parameters and priorities of the annual budget.

In February the budget and finance committee of the Board of Governors, with the participation of representatives of the Council of Jewish Federations and Large Cities Budgeting Conference of North American Federations, meets in Jerusalem for a week for an extended review, on a line-by-line basis, of the budgets for aliya, rural settlement, Youth Aliya and Project Renewal. We monitor the expenditure of these funds regularly, have set firm limits on the Agency's debt and have developed a plan for its retirement. In fact, when the Harvard Business School, at my invitation, reviewed the Agency control system now in place, a leading authority on non-profit Organizations stated that it was the best ever seen.

The existing structure has performed effectively in settling more than a million and a half immigrants, building close to 500 settlements and educating thousands of young people from all segments of Israeli society.

We in the Diaspora are becoming more involved every year; hundreds of Diaspora communal leaders have made an impact on Agency programmes through the annual Agency assembly. The shape and drive of Project Renewal, which grew from their personal involvement and interest, is now being applied to the details of other programmes, and we shall continue to expand our involvement, and our concern for the quality of life in Israel.

In spite of the progress made, it was my feeling that after a decade of working together with WZO leadership, the time had come for a review of the operations and structure of the Jewish Agency. Two years ago, at Caesarea, we launched the process of change in order to build a better Jewish Agency.

I am pleased to report that at the forthcoming Agency assembly, to be held in Jerusalem during the week of June 19-24, 1983, we will have an opportunity to deal with the key issues which have been the subject of intensive discussion in the various Caesarea commissions on goals and objectives of the Agency, the role of the organized community in aliyah and Jewish-Zionist education, Agency budget and fiscal procedures, its management and governance.

In July 1980, I stated that "This process will take some time but we should begin to deal with the problem in a disciplined and systematic fashion. I am against change for the sake of change but I am for change which is responsive to the needs of our times. History and Zionism have convinced me that Jewish unity is the key to Jewish survival, and I will not willingly see our great alliance weakened in any way." That is why I am distressed by some reactions to the proceedings of the recent Zionist Congress as reported in the media.

The Zionist Congress is the supreme forum of the WZO whose representatives, as noted above, constitute 50 per cent of the Agency. If the Agency is to attain its goals, it is imperative that the "Zionist Movement" succeed in its efforts to galvanize world-wide support for the aims of Zionism as spelled out in the Jerusalem Programme of the WZO.

During the course of our deliberations at Caesarea, we realized that many of these Zionist aims are held in common by the partners in the Jewish Agency. There was every reason to believe that the "Caesarea Process" would be a focal point of discussion at the plenary of the Zionist Congress so that we could, with greater confidence, move forward together to build a better Jewish Agency for the coming generation.

We now know that the centrality of Israel can no longer be taken for granted. The Jewish community is confronted with a rising tide of assimilation in the Diaspora. Israel itself wrestles with the problem of emigration and decreasing aliya. At such a time in our history, can the Jewish people afford to convene a Zionist Congress which is perceived as having dealt primarily with the distribution of portfolios and political party patronage? Do these parochial concerns speak to the needs and aspirations of our youth in Israel and in the Diaspora?

In 1981, at the joint session of the Zionist General Council and the Jewish Agency Assembly, I observed that: "The citizens of Israel vote in an Israeli election not as members of a WZO party, but as Israeli nationals for Israeli political parties with different and opposing attitudes on foreign and domestic issues. Our Zionist programmes of aliya, Jewish education, Project Renewal, consolidation of settlements, campus activities, all continue — unabated — regardless of the outcome of Israeli elections."

"Why then should the result of Israel's elections be a key factor in determining, at the World Zionist Congress, the composition of our executives? ...We should begin to consider alternate approaches for the selection of leadership which would reflect the totality of Israeli society and Diaspora institutions as well."

"If such a crucial change would come about, *because we have the moral courage to bring it about*, it might not be necessary to maintain, indefinitely, *two separate bodies within the Reconstituted Jewish Agency*."

In repeating this message to my friends within the leadership of the Zionist Movement, I am encouraged by their own expressed desire for change. We, the "new Zionists" of the Diaspora are steadfast in our support for Israel and its people. The Reconstituted Jewish Agency is the strongest single link between Israel and the Diaspora. We in the Agency and in the WZO have an opportunity and a responsibility to strive together toward the goal of excellence in all we undertake. Let us meet our responsibility with vision, courage and determination.

(Max M. Fisher is Chairman of the Board of Governors of the Jewish Agency for Israel.)

READERS' LETTERS

ARTISTIC DIRECTOR

To the Editor of The Jerusalem Post

Sir, — We appreciate the concern of Mrs. Dora Sowden, together with her several acquaintances, regarding the artistic direction of the Batsheva Dance Company (December 24).

During the past years, we have enjoyed the services of several able and talented artistic directors. The role of artistic director is both complicated and sensitive. Batsheva is far from being the only international dance company which is today striving to find the ideal combination — innovation, development, national expression, and a matching of temperament between dancer and director which go to build a creative and disciplined whole.

Mrs. Sowden finds reason for praise in the fact that other Israeli companies have had the same directors since their founding, but this could also be cause for concern. Ours is a public company. Our Board of Directors is always searching for new paths. In the Arts, things do not remain static. We are always searching for a competent director who can keep our company current plus fill the above-mentioned requirements. Batsheva would prefer an Israeli director. But if we cannot find the proper person here, we will continue to search for the most competent artistic director.

We are of course open to any investigation by the public.

BILL STRUM
General Manager,
Batsheva Dance Company
Tel Aviv.

FASCINATING STATISTICS

To the Editor of The Jerusalem Post

Sir, — In these trying times of nuclear threat, war, famine, massacres, terrorist attacks, visiting movie stars and Shabbat flights, it gives the women of Israel a special, secure feeling to know that the question of our virtue is still a top priority in the long list of symposium discussions ("Sex and women at the Hebrew University," *The Jerusalem Post* — January 9).

This small, but informative article states that "35 per cent of all undergraduate women at the Hebrew University of Jerusalem have not yet had sexual relations." Simply fascinating! I don't know how I've managed this long without such a vital piece of information. However, being the abrasive, aggressive feminist that I am, I wonder if I might request the equally important vital statistic of the percentage of all undergraduate male virgins populating Jerusalem's institution of higher education. It might be worth signing up for classes!

GABRIELLA DAPEER
Kibbutz Gadot.

WOODPECKERS

To the Editor of The Jerusalem Post

Sir, — I refer to your report "Woodpeckers knock out phone lines in Sharon" (January 7).

Woodpeckers certainly damage telephone lines (poles and cables) as well as plastic irrigation pipes. However, a study recently carried out in our department by my student, Anat Barnea, revealed that yellow plastic pipes were not damaged by woodpeckers. We are continuing this study in order to check further practical implications (and have applied for Israeli and foreign patents on this) and hope that it may prove to be a solution to this problem.

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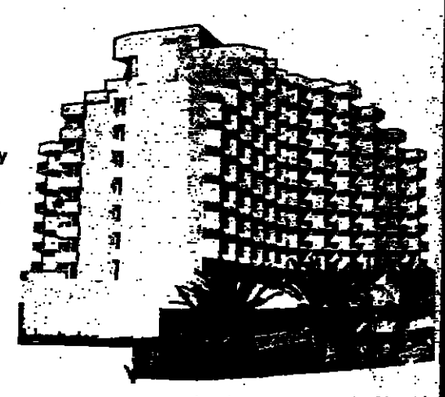
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